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AGRICULTURE, RURAL DEVELOPMENT, AND RELATED AGENCIES APPROPRIATION BILL, 1984

June 22 (legislative day, June 20), 1983.—Ordered to be printed

Mr. Cochran, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H.R. 3223]

The Committee on Appropriations, to which was referred the bill (H.R. 3223) making appropriations for Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending September 30, 1984, and for other purposes, reports the same to the Senate with various amendments and presents herewith an explanation of the contents of the bill.

AMOUNT IN NEW BUDGET (OBLIGATIONAL) AUTHORITY, FISCAL YEAR 1984

Amount of bill as passed by the House	$31,716,392,000
Amount of change by Senate Committee	13,612,000
Amount of bill as reported to Senate	31,702,780,000
Amount of 1983 Appropriations Acts to date	37,938,880,000
Amount of estimates, 1984	31,770,164,000
The bill as reported to the Senate:	
Under the appropriations provided in 1983	6,210,311,000
Under the estimates for 1984	67,384,000
Under the House bill	13,612,000

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BREAKDOWN BY TITLE

The amounts of obligational authority for each of the five titles contained in the House bill for fiscal year 1984, compared with the Committee recommendations, are shown in the following table. A detailed tabulation, showing comparisons, appears at the end of this report. Recommendations for individual appropriation items, projects and activities are carried in this report under the appropriate item headings.

[In thousands of dollars]

	1983 enacted	1984 House bill	1984 Committee recommendation
Title I: Agricultural programs	18,736,950	12,096,423	12,078,848
Title II: Rural development and assistance programs	3,676,812	4,255,331	4,244,934
Title III: Domestic food programs	14,046,189	13,813,671	13,816,671
Title IV: International programs	1,106,032	1,139,233	1,143,233
Title V: Related agencies	372,897	411,734	419,094
Total, new budget (obligational) authority	37,938,880	31,716,392	31,702,780
Transfers from section 32	2,287,346	2,313,135	2,313,135
Total obligational authority	40,226,226	34,029,527	34,015,915

COMPLIANCE WITH SECTION 308 OF THE BUDGET CONTROL ACT

Section 308(a) of the Budget Control Act (Public Law 93-344) requires that this Committee include in its report specific budgetary information on the status of recommended appropriations relative to the First Concurrent Resolution. The following table provides these data:

BUDGETARY IMPACT OF THE BILL

PREPARED BY THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC. 308(a), PUBLIC LAW 93-344

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount in bill	Committee allocation	Amount in bill
Comparison of amounts in the bill with the Committee allocation to its subcommittees of amounts in the First Concurrent Resolution for 1984: Subcommittee on Agriculture, Rural Development and Related Agencies	N/A	[1] 34,426	N/A	[2] 22,472
Projections of outlays associated with budget authority recommended in the bill:				
1984				[3] 20,833
1985				350
1986				192
1987				55
1988 and future year				51
Financial assistance to State and local governments for 1984 in the bill		3,771		2,805

[1] Including permanent appropriation.

[2] Includes outlays from prior-year budget authority.

[3] Excludes outlays from prior-year budget authority.

N/A: Not applicable.

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SUMMARY OF THE BILL

The Agriculture, Rural Development, and Related Agencies appropriations bill provides funding for a wide array of Federal programs, mostly in the Department of Agriculture. These programs include agricultural research and extension activities, a variety of conservation programs, farm income and commodity price support programs, a number of marketing and inspection activities, several domestic food programs, and the various export and international activities of USDA. The rural development title of the bill includes funding levels for Farmers Home Administration and Rural Electrification Administration programs. The bill also provides funding for the Food and Drug Administration and the Commodity Futures Trading Commission, and establishes a limitation on the administrative expenses of the Farm Credit Administration.

The Committee finds itself confronted again this year with very difficult budget decisions at a time when we are attempting to reduce Federal spending and stimulate the Nation's economic recovery. Nevertheless, the Committee recognizes its responsibility to make funding recommendations without mortgaging the vital interests and legitimate needs represented in the programs funded by this bill. Throughout its review of the fiscal year 1984 budget for Agriculture, Rural Development, and Related Agencies, the Committee has been cognizant of its responsibility to make program funding recommendations which reflect a judicious balancing of these goals.

Agriculture continues to be America's largest industry and employer. Well over 20 million Americans are at work in some phase of our Nation's great agricultural complex. Each individual American is affected daily by the efforts of our farmers who produce food and fiber, as well as by the activities of related industries which process, transport, and market products domestically and around the world. The vital importance of agriculture is abundantly clear. Yet, American farmers are faced with depressed market prices, ever-increasing production costs, and high interest rates—factors which make it very difficult, if not impossible, for many farmers to secure necessary credit and to make a reasonable profit for themselves and their families. Simultaneously, the country is faced with an overabundance of certain commodities—a situation which continues to threaten the health of the farm economy. The challenge to the Federal Government is to adequately address these problems, while promoting further economic recovery. The Committee believes the recommendations contained in the bill will address the current problems in the agricultural sector and further assist in the recovery of our farm economy.

The President's fiscal year 1984 budget request for programs in this bill totals $34,083,299,000 in obligational authority. This is $6,142,927,000 below the amount provided in fiscal year 1983, including funding for several programs provided in the emergency jobs bill (Public Law 98–8), enacted March 24, 1983, but excluding supplemental appropriations. The President's budget includes increased emphasis on market development and export activities and on loan programs which will help farmers stay in business in these difficult economic times. The Committee finds these increases acceptable, as it does the modest increases requested for certain inspection, marketing, and other "action" and basic support agencies vital to the agricultural sector.

However, the budget request also includes substantial reductions for certain research and extension activities, animal and plant health inspection services, several Farmers Home Administration and Rural Electrification Administration programs, and conservation programs within the Soil Conservation Service and the Agricultural Stabilization and Conservation Service. The Committee is unable to concur with these reductions because of the importance of these programs to agriculture and to rural America. Additionally, requested reductions or savings for several nutrition programs are contingent on proposed legislation that has not yet been enacted. The Committee recommendations reflect the administration's requested funding levels for the major nutrition programs, but for less than the full fiscal year.

Due to the soaring costs associated with farm programs, the appropriation for the Commodity Credit Corporation (CCC) requires a significant portion of the bill's total. In fiscal year 1983, Congress provided $16,173,514,000 to reimburse CCC for net realized losses. Although some savings may be realized as a result of the recently instituted payment-in-kind (PIK) program, the Committee remains concerned about the magnitude of CCC's expenses and has recommended a reimbursement which the Department estimates should be adequate for the full fiscal year.

In the President's credit budget, significant reductions are proposed for the Rural Electrification Administration (REA) and the Farmers Home Administration (FmHA) lending programs. Proposed reductions for REA total $1,900,000,000. For FmHA, the President proposes to replace $3,100,000,000 in the housing loan program with an $850,000,000 rural housing block grant program. The Committee believes lending programs should remain at least at current levels until changed legislatively. Therefore, in view of the current state of the economy and the plight of rural America, the Committee recommendations include a number of restorations to these programs.

Finally, the Committee has recommended adequate levels of funding for the Food and Drug Administration and the Commodity Futures Trading Commission to conduct their enforcement, regulatory, and other important activities.

For purposes of comparison, the Committee's recommendation for total appropriations in this bill is $67,384,000 less than the President's request and $13,612,000 less than the House bill. A comparison with the Senate 302 budget allocation is not possible, because the first concurrent budget resolution has not been approved by Congress as of the date of this report.

TITLE I—AGRICULTURAL PROGRAMS

PRODUCTION, PROCESSING, AND MARKETING

DEPARTMENT OF AGRICULTURE

OFFICE OF THE SECRETARY

1983 appropriation	[1] $3,884,000
1984 budget estimate	5,045,000
House allowance	5,045,000
Committee recommendation	5,045,000

[1] Excludes a pay supplemental of $316,000.

The Secretary of Agriculture, assisted by the Deputy Secretary, Under Secretaries, and Assistant Secretaries, and members of their immediate staffs, directs and coordinates the work of the Department. This includes developing policy, maintaining relationships with agricultural organizations and others in the development of farm programs, and maintaining liaison with the Executive Office of the President and Members of Congress on all matters pertaining to agricultural policy.

The general authority of the Secretary to supervise and control the work of the Department is contained in the Organic Act (7 U.S.C. 2201–2202). The delegation of regulatory functions to Department employees and authorization of appropriations to carry out these functions is contained in 7 U.S.C. 450c–450g.

For the Office of the Secretary for fiscal year 1984, the Committee recommends an appropriation of $5,045,000. This is $1,161,000 more than was provided in 1983, and the same as the House allowance and the budget request. The majority of the increase over fiscal year 1983 provided by the Committee reflects a direct appropriation for the costs associated with the Offices of the Assistant Secretary for Congressional and Public Affairs, and the Assistant Secretary for Science and Education. Both of these offices have been previously funded through moneys appropriated for other accounts.

STANDARD LEVEL USER CHARGES

1983 appropriation	$56,377,000
1984 budget estimate	69,402,000
House allowance	64,270,000
Committee recommendation	64,270,000

Standard level user charges (SLUC) are paid by the Department and many of its agencies to the General Services Administration (GSA) for use of space, facilities, and certain services in buildings owned or leased by the Federal Government. Annual appropriations are made to the Department and its agencies to pay these charges.

Agency budget estimates for SLUC are based on GSA's projection of what it will charge the agency in a given budget year. GSA sets rates according to the market value of property or space occupied, and independent of any agency input. SLUC receipts are placed in a fund used by GSA in the management of its real property operations. All Federal Government agencies utilizing Government-owned or leased property pay into this fund, which provides GSA with a pool of capital to support overall Government space needs. In effect, this means that agencies are paying prevailing commercial rental rates in order to subsidize the inflated cost of new construction and newly leased space, and to provide for vacant space in GSA's inventory.

For standard level user charges for fiscal year 1984, the Committee recommends an appropriation of $64,270,000. This is the same amount as provided in the House bill, $5,132,000 less than the budget, and $7,893,000 more than the amount provided in 1983. The Committee agrees with the House action limiting the increase in SLUC to 14 percent over the fiscal year 1982 level and concurs in the recommendation that action be taken by the appropriate legislative committees to revise the law to increase the control of Congress over SLUC charges on an annual basis.

ADVISORY COMMITTEES

1983 appropriation	$1,398,000
1984 budget estimate	1,398,000
House allowance	1,398,000
Committee recommendation	1,398,000

The Department of Agriculture and several of its agencies utilize advisory committees to provide supplemental and specialized expertise that is valuable in assuring that information is timely and accurate and that decisions are based on the best available knowledge and technologies. These advisory committees are comprised of experts and professionals from the academic and private sectors.

The following table displays Advisory Committees which currently exist:

ADVISORY COMMITTEES (EXCLUDING FOREST SERVICE)

Committee name	Current members	Budget	Agency appropriation
Aquaculture Advisory Board	([1])	9,100	CSRS
Advisory Committee on Foreign Animal and Poultry Diseases	([1])	25,480	APHIS
Advisory Committee on Instrument Standard for Cotton	([1])	34,080	AMS
Advisory Committee on Meat and Poultry Inspection	19	22,750	FSIS
Advisory Committee on Swine Health Protection	16	15,952	APHIS
Agribusiness Promotion Council	([1])	17,163	OICD

See footnotes at end of table.

ADVISORY COMMITTEES (EXCLUDING FOREST SERVICE)—Continued

Committee name	Current members	Budget	Agency appropriation
Agricultural Policy Advisory Committee on Trade	46	14,287	FAS
Agricultural Technical Advisory Committee on Cotton	14	12,072	FAS
Agricultural Technical Advisory Committee for Trade on Dairy Products	14	12,594	FAS
Agricultural Technical Advisory Committee for Trade on Fruits and Vegetables	22	12,837	FAS
Agricultural Technical Advisory Committee for Trade on Grain and Feed	16	13,048	FAS
Agricultural Technical Advisory Committee for Trade on Livestock and Livestock Products	20	13,558	FAS
Agricultural Technical Advisory Committee for Trade on Oilseeds and Products	17	12,481	FAS
Agricultural Technical Advisory Committee for Trade on Poultry and Eggs	9	12,463	FAS
Agricultural Technical Advisory Committee for Trade on Sweeteners and Tropical Products	11	11,932	FAS
Agricultural Technical Advisory Committee for Trade on Tobacco	12	12,516	FAS
Animal Health Science Research Advisory Board	12	15,470	CSRS
Citizens Advisory Committee on Equal Opportunity	21	42,079	DA
Committee of Nine	9	24,934	CSRS
Cooperative Forestry Research Advisory Board	(1)	34,125	CSRS
Cost of Production Standards Review Board	(1)	46,250	ERS
Dietary Guidelines Advisory Committee	(1)	20,574	HNIS
Federal Grain Inspection Service Advisory Committee	15	54,600	FGIS
Flue-Cured Tobacco Advisory Committee[2]	(37)	(16,000)	AMS
General Conference Committee of the National Poultry Improvement Plan	10	5,513	APHIS
Hops Marketing Advisory Board	5	3,868	AMS
Human Nutrition Board of Scientific Counselors	16	31,850	ARS
Joint Committee of the Future of Cooperation Extension	21	54,600	ES
Joint Nutrition Monitoring Evaluation Committee	(1)	27,300	HNIS
National Advisory Committee for Tobacco Inspection Service[2]	(17)	(30,000)	AMS
National Advisory Council on Child Nutrition	19	27,300	FNS
National Advisory Council on Maternal, Infant, and Fetal Nutrition	19	27,300	FNS
National Advisory Council on Rural Development	26	73,710	ORDP
National Agricultural Research and Extension Users Advisory Board	26	173,900	S&E
National Arboretum Advisory Council	15	10,192	ARS
National Plant Genetic Resources Board	14	16,744	CSRS
Plant Variety Protection Advisory Board	(1)	8,827	AMS
Policy Advisory Committee for the Science and Education Research Grants Program	17	8,190	S&E
Rangeland Research Advisory Board	(1)	9,555	CSRS
Soybean Research Advisory Institute	(1)	54,600	ARS
Study Committee on Premiums and Discounts for Upland Cotton[3]	(12)	(25,916)	ASCS

See footnotes at end of table.

ADVISORY COMMITTEES (EXCLUDING FOREST SERVICE)—Continued

Committee name	Current members	Budget	Agency appropriation
Task Force on Farm Income Protection	(1)	91,390	FCIC
Technical Advisory Committee for Science and Education Research Grants Program	156	182,816	S&E
Reserve for New Committees	(4)	100,000	DA
Total	617	1,398,000	

[1] Number of Committee members has not been determined.
[2] Committees funded from user fees and not included in this total.
[3] Committee funded by the CCC and not included in this total.
[4] A reserve is included for possible new committees that have not yet been specifically identified.

The Committee also directs that future year budget requests and explanatory notes reflect a separate account for advisory committees.

For advisory committees for the Department of Agriculture for fiscal year 1984, the Committee recommends an appropriation of $1,398,000, the same amount as the appropriation for fiscal year 1983, the budget request, and provided in the House bill. The Committee concurs in the direction of the House that the explanatory notes for fiscal year 1985 provide greater detail concerning the activities of the Department's advisory committees, including a detailed record of meetings held, attendance, accomplishment data, as well as planned activities for fiscal year 1985.

DEPARTMENTAL ADMINISTRATION

1983 appropriation	[1] $13,166,000
1984 budget estimate	17,819,000
House allowance	17,999,000
Committee recommendation	17,999,000

[1] Excludes a pay supplemental of $524,000.

The Departmental staff offices provide staff support to the top policy officials of the Department and overall direction and coordination of the work of USDA's program agencies to insure the efficient and effective management and operation of the Department.

Activities carried out by the Departmental staff offices include:

—Overall direction and administration of the Department's budgetary functions including development, presentation, execution control, reporting and adjusting fund and manpower resources; evaluation of program and legislative proposals for program, budget, and related resource implications; and analysis of program and resource issues and alternatives, and preparation of summaries of pertinent data to aid Departmental policy officials and agency program managers in the decisionmaking process;

—Staff and support services to agency programs in the management of real and personal property, procurement, contracts, financial affairs, management improvement, and automated data processing;

—The personnel management program of the Department;

—Coordination and supervision of equal opportunity responsibilities in the Department's programs and employment;

—Management and administration of finance, accounting, Federal assistance, occupational safety and health, productivity, and management improvement of the Department;

—Oversight of all procurement activities to assure maximum participation of small and disadvantaged business in the procurement process; and

—Regulatory hearings and decisions by the administrative law judges who hold rulemaking and adjudicatory hearings and issue initial decisions and orders, and by the judicial officer who serves as final deciding officer in regulatory proceedings.

For Departmental Administration for fiscal year 1984, the Committee recommends an appropriation of $17,999,000. This is $4,833,000 more than was provided in 1983, $180,000 more than the budget estimate, and the same amount as provided in the House bill. The increase over the budget request reflects a transfer of activities from the Statistical Reporting Service to the Office of Information Resources Management.

The Committee concurs with the House directive that the explanatory notes submitted to the Appropriations Committees as justification of appropriation estimates continue to be based on current law, regardless of OMB's guidance for preparation of the President's budget. Any assumed savings or costs from legislative proposals will be separately identified as adjustments to this current services level.

WORKING CAPITAL FUND

The departmental working capital fund was authorized in 1944 and is used to finance services provided to Department agencies on a centralized basis when this will result in cost savings because of economies of scale, reduced overhead, central cost-based management, or coordination which avoids duplication of effort. In recent years, the total volume of working capital fund activities has grown dramatically, primarily because of centralization of additional services such as central accounting and computer services, rising costs in all activities, and increases in the volume and complexity of agency activities.

The Committee concurs with the House recommendation that obligations chargeable against the working capital fund shall not exceed the requested $94,379,000 during fiscal year 1984.

OFFICE OF GOVERNMENTAL AND PUBLIC AFFAIRS

1983 appropriation	[1] [2] $7,116,000
1984 budget estimate	[3] 7,569,000
House allowance	[3] 7,407,000
Committee recommendation	[3] 7,569,000

[1] Excludes a pay supplemental of $206,000.

[2] Includes $439,000 for congressional affairs.

[3] Includes $477,000 for congressional affairs.

Governmental and Public Affairs serves as the central organization to insure consistency and coordination of the Department's public information and external affairs activities and directing the defense and emergency preparedness programs of the Department.

The three major programs are:

Public affairs.—Provides direction, leadership, and balance in the development and delivery of useful information, through all media, to the public on USDA's research, educational, and regulatory activities.

Congressional affairs.—Maintains liaison with the Congress and the White House on legislative matters of concern to the Department and exercises responsibility for the coordination of all congressional matters except budgetary affairs of the Department.

Intergovernmental affairs.—Directs and coordinates all programs involving the implementation of USDA policies and procedures applicable to the Department's intra and intergovernmental relations, defense program, and emergency preparedness program.

Last year, the Committee concurred with action by the House to remove the appropriation for congressional affairs from this account and to make that appropriation through a separate new account. Although the Committee intended not to interfere with the Department's organization of these functions per se, the Committee has been advised that problems in management and administration have resulted. Consequently, the Committee recommends that the Office of Congressional Affairs be included in the OGPA account this year.

For the Office of Governmental and Public Affairs, the Committee recommends an appropriation of $7,569,000. This is the same amount as the budget request, $453,000 more than was provided in 1983, had the OGPA and Office of Congressional Affairs been combined at that time, and $162,000 more than provided by the House had the House combined the offices.

OFFICE OF CONGRESSIONAL AFFAIRS

1983 appropriation	[1] $439,000
1984 budget estimate	([2])
House allowance	477,000
Committee recommendation	([2])

[1] Excludes a pay supplemental of $10,000.

[2] Included in Office of Governmental Affairs.

In concurring with the budget request, the Committee has included the Office of Congressional Affairs with the Office of Governmental and Public Affairs. Please refer to the preceding account for further details.

Office of the Inspector General

	Appropriation	Transfer from food stamp program	Total
1983 appropriation	$27,943,000	($14,270,000)	[1]($42,213,000)
1984 budget estimate	29,754,000	(14,825,000)	(44,579,000)
House allowance	29,211,000	(15,368,000)	(44,579,000)
Committee recommendation	29,211,000	(15,368,000)	(44,579,000)

[1] Excludes pay supplemental of $828,000, of which $555,000 shall be derived by transfer from the food stamp program.

The Office of the Inspector General was established by law October 12, 1978, by the Inspector General Act of 1978. This reaffirmed and expanded the Office established by order of the Secretary of Agriculture.

The Office is headed by an Inspector General who reports directly to the Secretary, keeping him informed of fraud, abuses, and deficiencies within the Department. The Inspector General is also required by law to report periodically to the Congress. The Office provides policy direction and conducts, supervises and coordinates all audits and investigations. It also reviews existing and proposed legislation and regulations and makes recommendations to the Secretary and Congress regarding the impact such initiatives will have on the economy and efficiency of the Department's programs and operations.

For the Office of the Inspector General for fiscal year 1984, the Committee recommends an appropriation of $29,211,000. In addition to amounts directly appropriated, the Committee recommendation includes a transfer of $15,368,000 from the food stamp program, for a total program level of $44,579,000. This is the same as the level recommended by the House, $2,366,000 more than was provided in 1983, and the full amount of the budget estimate.

The Committee reiterates its position that dollars spent in support of the Inspector General and efforts to reduce fraud and waste in the Department's programs are sound investments that will more than pay for themselves through dollars saved. Further, the Committee continues the policy that the Inspector General shall determine his own program priorities rather than consider the use of the funds transferred as limited exclusively to food stamp audits and investigations.

OFFICE OF THE GENERAL COUNSEL

	Appropriation	Transfer from food stamp program	Total
1983 appropriation	[1]$12,386,000	($628,000)	[1]($13,014,000)
1984 budget estimate	14,348,000	(628,000)	(14,976,000)
House allowance	14,253,000	(723,000)	(14,976,000)
Committee recommendation	14,253,000	(723,000)	(14,976,000)

[1] Excludes pay supplemental of $686,000.

The Office of General Counsel serves as legal counsel for the Secretary of Agriculture and performs all legal work for the Department. It represents the Department in administrative and judicial proceedings, examines titles to lands to be acquired by the Department or accepted as security for loans, and disposes of claims arising out of the Department's activities.

For the Office of the General Counsel for fiscal year 1984, the Committee recommends an appropriation of $14,253,000. This is $1,867,000 more than was provided in 1983, $95,000 less than the budget estimate, and the same amount as provided in the House bill.

The Committee concurs with the House proposal to transfer $723,000 from the food stamp program. Together with the recommended appropriation, the total amount provided is the same as the budget estimate. As with funds transferred to the Office of the Inspector General, the General Counsel should not consider these funds as a minimum or a maximum level of activity on food stamp issues.

The Committee also concurs with the House in deleting bill language regarding payment of fees or dues for the use of law libraries by attorneys in field service. A central law library has been established, and this language is no longer needed.

FEDERAL GRAIN INSPECTION SERVICE

SALARIES AND EXPENSES

1983 appropriation	[1]$5,369,000
1984 budget estimate	6,861,000
House allowance	6,861,000
Committee recommendation	6,861,000

[1] Excludes pay supplemental of $179,000.

The Federal Grain Inspection Service was established on November 20, 1976, pursuant to the U.S. Grain Standards Act, as amended (Public Law 94–582). The act was amended again in 1977, to provide an advisory committee, technical amendments, and appropriation funding for field supervision, and in 1980, to eliminate most mandatory inbound weighing at export port locations. The act was amended again under the Omnibus Budget Reconciliation Act of 1981. The act now requires user fee funding to support supervision and administration of the inspection and weighing programs, areas previously covered by appropriations. The Service carries out grain inspection and weighing programs under the U.S. Grain Standards Act and other programs under the authority of the Agricultural Marketing Act of 1946, as amended. The programs under the Agricultural Marketing Act of 1946 include the inspection and grading of rice, dry beans, peas, lentils, processed grain products, hay, straw, hops, and other agricultural commodities as were assigned to the agency by the Secretary of Agriculture under the authority of the Reorganization Plan No. 2 of 1953.

The Federal Grain Inspection Service provides for the establishment of official U.S. standards for grain, and insures the uniform application of the standards through a series of official inspection, weighing, weight certification, and supervision programs. Through these permissive and mandatory programs, the Service aids in advancing orderly and efficient marketing and effective distribution of U.S. grain and other assigned commodities from the Nation's farms to domestic and foreign buyers.

The amended U.S. Grain Standards Act requires the Service to provide Federal or delegated State original inspection and weighing services at export ports and Federal supervision at all locations. The supervision program includes supervision at export ports by Federal inspectors and weighers, and licensed inspectors and weighers employed by eight delegated State agencies. The agency supervises licensed inspection and weighing personnel employed by 83 designated State and private agencies performing nonexport services at interior locations. The inspection and weighing programs utilize Federal and delegated State personnel for the mandatory inspection and weighing of outbound grain at export ports, and for the permissive inspection and weighing of inbound grain at export ports. Federal personnel also carry out nationwide appeal inspections and the inspection of rice and other assigned commodities. The costs of nearly all field services and most headquarters activities are financed from fees charged for services performed. Compliance and standardization activities, and international monitoring are financed from appropriations.

For the Federal Grain Inspection Service for fiscal year 1984, the Committee recommends an appropriation of $6,861,000. This is $1,492,000 more than the amount provided in 1983, and the same as the budget request and the House allowance.

The Committee concurs with the decision reached by the Federal Grain Inspection Service to maintain its current operations in the Kansas City area. The Committee will expect to be kept informed of progress FGIS makes in the development of a National Technical Center.

INSPECTION AND WEIGHING SERVICES

LIMITATION ON ADMINISTRATIVE EXPENSES

1983 appropriation	($44,313,000)
1984 budget estimate	(44,313,000)
House allowance	(34,777,000)
Committee recommendation	(44,313,000)

The Federal Grain Inspection Service provides an official grain inspection and weighing system under the U.S. Grain Standards Act (USGSA), and official inspection of rice and grain related products under the Agricultural Marketing Act (AMA) of 1946, as amended.

Federal inspection and weighing services under the USGSA are financed entirely by a user fee-supported revolving fund. Programs covered by the revolving fund include: original grain inspection and weighing at selected export ports; original inspection of U.S. grain exported through Canada; Federal appeals of original grain inspections; stowage inspections on containers carrying U.S. grain for export; and registration of grain firms operating in the export grain trade. The AMA provides for the inspection and grading of rice and other commodities. All administrative and field costs for this service are also financed from user fees.

The Committee recommends a limitation of $44,313,000 on the obligation of funds collected through user fees for fiscal year 1984. The total limitation is the same amount specified in the budget, the same limitation as fiscal year 1983, and $9,536,000 more than provided in the House bill. Should export volume return to the levels of recent years, the higher limitation provided by the Committee would be necessary.

AGRICULTURAL RESEARCH SERVICE

1983 appropriation	[1] $454,378,000
1984 budget estimate	472,410,000
House allowance	472,470,000
Committee recommendation	484,995,000

[1] Excludes a pay supplemental of $6,442,000.

As the U.S. Department of Agriculture's in-house agricultural research unit, the Agricultural Research Service has major responsibilities for conducting and leading the national agricultural research effort. It provides initiative and leadership in five areas: research on broad regional and national problems; research to support Federal action and regulatory agencies; expertise to meet national emergencies; research support for international programs; and scientific resource to the executive branch and Congress.

The mission of Agricultural Research Service is to develop new knowledge and technology which will insure an abundance of high quality agricultural commodities and products at reasonable prices to meet the increasing needs of an expanding economy and to provide for the continued improvement in the standard of living of all Americans. This mission focuses on the development of technical information and technical products which bear directly on the need to (1) manage and use the Nation's soil, water, air, and climatic resources, and improve the Nation's environment; (2) provide an adequate supply of agricultural products by observing practices that will maintain a permanent and effective agriculture; (3) improve the nutrition and well-being of the American people; (4) improve living in rural America; and (5) strengthen the Nation's balance of payments.

COMMITTEE FUNDING RECOMMENDATIONS

The following table summarizes the Committee recommendations for the Agricultural Research Service:

AGRICULTURAL RESEARCH SERVICE

[In thousands of dollars]

	Fiscal year 1983 appropriation	Fiscal year 1984 budget	House bill	Committee recommendation
Basic research	217,070	220,070	217,070	220,070
Animal health and protection	56,932	57,682	57,682	57,682
Range and pasture	6,753	6,753	6,753	6,753
Germplasm resources	13,803	13,803	13,803	13,803
National Arboretum	2,611	2,611	2,611	2,611
Acid precipitation	284	284	284	284
Conservation and use of land and water:				
Colorado River Basin	936	936	936	936
RCA	5,736	5,736	5,736	5,736
Water use efficiency	9,724	9,724	9,724	9,724
Human nutrition	33,313	34,513	36,613	34,513
Tropical/subtropical	735	735	735	735
Minor use pesticide	1,170	1,170	1,170	1,170
AgRISTARS	5,495	5,495	5,495	5,495
Wool and mohair	424	424	424	424
Guayule	1,304	1,304	1,304	1,304
Bee research	3,631	3,631	3,631	3,631
Aquaculture	269	269	269	444
Tobacco research	5,338	5,338	5,338	5,338
Stored tobacco insects	253	253	253	253
Beef forage	1,500	1,500	1,500	1,500
Brucellosis	2,420	2,420	2,920	2,920
Dairy forage	2,618	2,618	2,618	2,618
Dairy herd improvement	1,642	1,642	1,642	1,642
Beckley, W. Va., Conservation Lab	1,810	1,810	1,810	2,060
Kearneysville, W. Va., fruit research	2,344	2,344	2,344	2,344
Grasshopper fungus	175	175	175	175
Horn fly	652	652	652	652
Integrated pest management	10,117	10,117	10,117	10,117
Pickles, onions, and carrots	1,412	1,412	1,412	1,412
Pseudorabies	572	572	572	572
Rice research	2,583	2,583	2,583	2,583
Saline and sodic soils	300	300	300	300
Sugarcane production	2,428	2,428	2,428	2,428
TCK smut in wheat	404	404	404	404
Toxicology Lab study	150	150	200	200
Yellow wilt disease (sugar beet disease)	25	25	25	25
Tropical fruit flies	2,123	2,123	2,423	2,423
Wenatchee, Wash., fruit research	1,198	1,198	1,198	1,498
Yakima, Wash., fruit research	1,122	1,122	1,122	1,422
Leptosperosis	411	411	411	411
Peach research	1,677	1,677	1,677	2,077
Potato research	4,556	4,556	4,556	4,756
Johne's disease	375	375	375	375
Post-graduate fellowships	....	....	....	10,000
All other	45,983	59,065	59,175	59,175
Total, Agricultural Research Service	454,378	472,410	472,470	484,995

Post-graduate fellowships.—The Committee understands that the responsibility for USDA's higher education programs has been redelegated by the Secretary from the now-abolished position of Director of Science and Education to the Administrator of the Agricultural Research Service (ARS). Consequently, ARS is now responsible for providing national focus and leadership to address major priorities with respect to the training of food and agricultural scientists and professionals. The Committee applauds this redelegation of authority and will expect ARS to actively address the special needs and challenges that face the agricultural research community.

One particular challenge to the future of agricultural research seems especially ripe for redress. The Committee continues to be concerned about predicted shortages in agricultural scientific and professional personnel. During hearings on the fiscal year 1984 budget, ARS officials advised the Committee that there is growing evidence of deficits of college-educated agricultural scientists, technical representatives, educators, administrators, producers, managers, financial advisers, and other professionals in both the public and private sectors. A 1980 U.S. Department of Agriculture study projects the overall average annual demand for college graduates in the food and agricultural sciences will exceed the available supply by almost 15 percent. In some occupational categories, however, the shortages are far more severe. Demand for manufacturing and processing scientists and engineers exceeds supply by 18 percent, and demand for agricultural administrators, managers, and financial advisers exceeds the supply by 30 percent. The Committee has been further advised that this USDA study may understate the severity of the problem. An especially short supply of individuals with advanced preparation—masters and doctoral degrees for required research, professional, and managerial positions—is expected in agriculture throughout the decade. Furthermore, more than 30 percent of U.S. graduates with advanced degrees in the food and agricultural sciences are foreign nationals on temporary visas. Current projections indicate an annual need for 60,000 new graduates between now and 1985, while actual graduates number only 52,000 annually. In ARS alone, it is predicted that 846 scientists will be eligible for retirement between 1983 and 1988.

The Committee agrees with the Department's assessment that these trends, unless reversed, will severely impede future U.S. agricultural efficiencies. If the United States is to maintain its role as a leader in the production of food and fiber, the Committee feels it is imperative that there be adequately trained personnel in our classrooms and laboratories, as well as in private industry. The administration has requested $500,000 for post-doctoral fellowships. While the Committee does not intend to impair ARS's existing discretion to award limited post-doctoral fellowships, the Committee does believe that new resources would best be directed toward assisting individuals pursuing graduate and post-graduate degrees in agriculture and related fields. For example, fellowships and grants provided to students under the authority of section 1418 of Public Law 97–98, as amended, would go far in addressing long-term manpower needs. Consequently, the Committee does not recommend the $500,000 requested for post-doctoral fellowships, but has, instead, included in the ARS appropriation $10,000,000 to fund a competitive graduate fellowship grant program. It is the Committee's intention that these grants be made available to instructional programs at land-grant institutions and at other colleges and universities which have demonstrated the capacity to carry out agricultural and nutrition teaching and research. The purpose of this additional funding is to support the recruitment and training of students in specialty areas in which scientific and professional expertise is deficient. It is the Committee's understanding that this program level can support approximately 650 to 700 masters and doctoral students.

Basic agricultural research.—For basic agricultural research, the Committee recommends an appropriation of $220,070,000. This is $3,000,000 more than the amount provided in 1983, the same as the budget request, and $3,000,000 more than the amount provided in the House bill.

Animal health and protection.—For animal health and protection research activities, the Committee recommends $57,682,000. This is $750,000 more than provided in 1983, the same as the House allowance, and the same amount as the budget request.

Range and pasture.—For range and pasture research, the Committee recommends an appropriation of $6,753,000. This is the same amount provided in 1983, and the same as the budget request and the House allowance.

Human nutrition.—For human nutrition research, the Committee recommends $34,513,000. This is $1,200,000 more than provided in 1983, the same as the budget request, and $2,100,000 less than the House allowance..

The Committee does not concur with the House directive that the increase of $2,100,000 over the budget request be provided to support the operation of the Tufts Human Nutrition Center.

Aquaculture.—The Committee recommends $444,000 for aquaculture. This is an increase of $175,000 over the House allowance and the budget request, and the amount provided in 1983.

The Committee is concerned that the full amount of the funds appropriated in fiscal year 1983 were not utilized for aquaculture research and will expect the Department to use the entire amount appropriated in fiscal year 1984. The Committee further expects the Department to conclude work on the national aquaculture development plan mandated by the National Aquaculture Act of 1980. The publication of this plan is overdue, and the Committee directs the Department to assist the Department of Commerce and the Department of the Interior in developing a coherent national policy to govern the development of aquaculture in the United States.

Beef forage.—For beef forage research, the Committee recommends an appropriation of $1,500,000. This is the same as the amount provided in 1983, in the budget request, and in the House allowance.

Brucellosis research.—The Committee concurs with the House increase of $500,000 for brucellosis research. With these additional funds, the Department is to begin work on the program outlined by the Conference on Innovative Approaches to Brucellosis.

Kearneysville, W. Va.—The Committee recommends an appropriation of $2,344,000 for the Appalachian fruit research station which conducts research to improve production, harvesting, and disease and insect resistance of various fruits and berries. This is the same amount as provided in 1983, in the budget request, and in the House allowance.

Beckley soil laboratory.—The Committee recommends an appropriation of $2,060,000 for the Beckley, W. Va., soil conservation laboratory. This facility conducts research on soil and water problems associated with hill-land agriculture and with the reclamation and utilization of surface-mined land. The amount provided is $250,000 more than provided in 1983, in the budget request and in the House bill. This increase is for additional scientists and support staff at the lab.

TCK smut in wheat.—*Tellitia controversa* Kuhn (TCK), commonly called dwarf smut, is a disease of wheat known to occur only in small areas of the Northwestern United States and a few other countries of the world. The Committee continues its interest in insuring that better controls are developed to prevent the spread of dwarf smut's dust-like spores. Consequently, the Committee recommends an appropriation of $404,000, the same amount as provided in 1983, in the budget request, and in the House bill.

Soil and water conservation research in Alaska.—The Committee recommends that funding be provided at the 1983 level for the continuation of soil and water conservation research in Alaska. This research is part of an ongoing USDA program designed to help Alaska avoid the soil erosion problems that are now facing the continental United States.

Tropical/subtropical research.—The Committee recommends an appropriation of $735,000 for tropical and subtropical research programs under section 406 of the Agricultural Trade Development Assistance Act. This is the same amount as provided in 1983, the same as the budget request and the House allowance.

Potato research.—The Committee reiterates its interest in the acceleration of the Eastern Russet breeding program and directs that $300,000 again be allocated to breeding program activities underway in Maine, Pennsylvania, New York, and Maryland.

Additionally, the Committee recommends an increase of $200,000 for potato research. Research activities conducted at the ARS facilities in the Pacific Northwest (Idaho, Oregon, and Washington) are serving a vital role in plant breeding. If potato growers in the Northwest are to continue to meet the demands of domestic and foreign consumers, an accelerated research program is essential. To meet this requirement, the Committee directs that the additional $200,000 be allocated to the three States.

The Committee directs the Department to use funds available for research in chemicals/disinfectants for bacterial disease control in potatoes to investigate methodology and application of chemicals for control of bacterial pathogens of potatoes.

Sugarcane.—The Committee concurs with the House recommendation that $324,000 be appropriated for research on sugarcane in Hawaii. This is the same amount provided in fiscal year 1983 and in the House allowance. The Agricultural Research Service had originally proposed to reprogram these funds in fiscal year 1984, and the Committee concurs with the ARS decision to use the funds for continued research in 2-year sugarcane crops.

Fruit flies.—For research on fruit flies, the Committee concurs with the House recommendation for an additional $300,000 to help discover more effective lures and to develop toxic baits that can be used on tropical fruit flies in urban areas.

Fruit research.—The Committee recognizes the invaluable fruit research being conducted at Wenatchee and Yakima, Wash., and has recommended an increase of $300,000 for each facility. Part of the increase is to be used to study pesticide residue levels in pears.

Cold hardiness and delayed dormancy research.—The Committee believes that commercial production of certain fruit and berry species in the mid-Atlantic States is inhibited by the short winter dormancy of these species and their consequent vulnerability to damage from early spring frosts and hail. Within the funds provided, $200,000 is to be allocated to the Appalachian fruit and berry research station for methods development to extend the dormancy period of these species.

Pima cotton.—The Committee is aware of the importance of the pima cotton research program and directs that, within available funds, $200,000 be provided to continue a viable and effective breeding program and to provide a research associate at Tempe, Ariz.

Leptosperosis.—The Committee recommends $411,000 for research on leptosperosis. This is the same amount provided by the House and in the budget request. The Committee will also expect the ARS to consider the establishment of a reference facility at the NADA lab at Ames, Iowa.

Johne's disease.—The Committee is aware of the potential expansion of Johne's disease and expects ARS to give increased attention to the development of quicker and simpler testing procedures.

Grasshopper fungus.—For research on grasshopper fungus, the Committee recommends $175,000. This is the same as the amount provided in 1983, in the budget request, and in the House allowance.

Dairy forage.—For dairy forage research, the Committee recommends $2,618,000. This is the same as the budget request, the House allowance, and the amount provided in 1983.

Germplasm.—The Committee concurs with the recommendation of the House to appropriate $13,803,000 for national plant germplasm resources. This is the same as the amount provided in 1983, the budget request and the House bill.

Long-term small grain production is dependent upon a continuing supply of new varieties. The development of new varieties, in turn, is dependent on a diverse germplasm base. The small grain germplasm collection needs new, improved facilities located in an area that minimizes costs and located in the grow-out area. Aberdeen, Idaho, is an ideal site for such a facility. Last year the Appropriations Committee recommended that such a facility be constructed at Aberdeen. The University of Idaho would build such a facility at Aberdeen to lease to USDA, ARS, on a long-term basis. We strongly encourage appropriate action to secure this needed facility.

Rice research.—The Committee again recognizes the importance of rice research activities conducted at the ARS facility in Stuttgart, Ark. The Department will be expected to at least continue the research activities and staffing levels at the Stuttgart facility commensurate with recent-year levels.

Integrated pest management.—The Committee directs that, within funds available, the $200,000 Federal-State cooperative research program on yellow star thistle be continued.

Pea and lentil research.—The Committee includes in its recommendations for research funding $100,000 for the continuation of pea and lentil research in the Pacific Northwest.

Vegetable oils as fuel.—The Committee directs that of the funds provided to ARS, $100,000 be utilized for research being conducted at Moscow, Idaho, on the use of vegetable oils as a replacement for diesel fuel.

The Committee also expects ARS to continue the enhanced funding levels for research at the On-farm Energy Research Center located in Columbia, Mo.

Sugarcane production efficiency research, Houma, La.—The Committee recommends an appropriation of $2,428,000 for sugarcane production efficiency research at the Houma, La., facility. This is the same amount as provided in 1983, in the budget request, and in the House bill.

Guayule.—For guayule research, the Committee recommends $1,304,000, the same amount provided in fiscal year 1983, in the budget request, and in the House allowance. The Committee concurs with the House that the Department should explore the potential of growing guayule as a crop in the arid regions of Hawaii.

Biological control.—The Committee recognizes the importance of biological control research and its relevance to control of tropical or subtropical pests, heretofore either not introduced or known in the United States. The Committee has been impressed with the research efforts of the University of Florida in the area of biological control and understands that an expansion of this effort is being contemplated for the very near future. The Committee supports expansion of this research effort and urges USDA to be cooperative in every way possible.

Peach research.—The Committee recommends an increase of $400,000 for the study of genetic and biological problems affecting peach tree longevity and productivity and for research on diseases which damage harvested peaches. Peaches are grown commercially in 32 States and have an annual cash value of $360,000,000. The size of the crop, as well as the potential for substantial improvement, has led the Committee to provide the additional funding and to encourage the Department to add one scientist and necessary support staff to the Kearneysville fruit research station to execute the expanded research effort.

Lesser cornstalk borer, mole cricket, and diaprepes.—The Committee recognizes efforts to expand extramural agreements with the University of Florida regarding research on the lesser cornstalk borer, the mole cricket, and diaprepes. The Committee believes this research is of high priority and should be continued.

Headhouse facility, Columbia, Mo,—In fiscal year 1983, the Committee directed ARS to construct the planned headhouse facility to aid in crop production and cereal genetics research. The Committee will expect work to be completed on this facility during fiscal year 1984.

Small Business Innovation Development Act.—The Committee will expect the budget justification material submitted by the Department for fiscal year 1985 to identify the level of funding required to be set aside for small business research efforts in each agency as well as the proposed research program that will be supported with these funds.

Northern Plains Soil and Water Research Center, Sidney, Mont.—In fiscal year 1984, $300,000 has been allocated for research on modern tillage systems, such as low tillage and no tillage, and $200,000 for research on weeds and leafy spurge at this location.

Japanese beetle research.—The Committee directs that from within available funds ARS continue research efforts to find an acceptable alternative for chlordane for quarantine treatment of nursery plants against Japanese beetles. This research effort would be in addition to current research to prevent the accidental transport of Japanese beetles by aircraft and research of the Asian Parasite Laboratory. The Committee will expect ARS to work with the nursery industry in identifying its research needs. The Committee concurs with the action of the House to include bill language directing that work at the Horticultural Insects Research Laboratory be maintained.

Calicivirus.—The Committee directs the Agricultural Research Service to make available $225,000 in existing funds to conduct research on calicivirus which infects swine and cattle. Probably the foremost body of knowledge on calicivirus exists at Oregon State University, and the Committee expects that the ARS will take full advantage of this expertise in pursuing this research effort.

Bee research.—Within the amount provided for bee research, the Committee expects that work on chalk brood syndrome will continue at the $100,000 level.

The Committee also recognizes that pesticide research is very important to the honey industry and, therefore, directs the ARS to continue operation of the Laramie bee lab at the University of Wyoming. The Committee further directs ARS to maintain the bee research laboratory at Madison, Wis., at the 1983 operating level.

Special fund.—For the special fund the Committee recommends $2,000,000, the same as the amount available for fiscal year 1983 and the same as the budget request. These funds are used to strengthen work at Federal research installations in the field by employing junior scientific help under contracts and cooperative agreements.

Federal administration.—The Committee notes that the budget estimate proposes $50,435,621 for the Federal administration of the Agricultural Research Service, a decrease of $2,042,755 from the administrative costs in fiscal year 1983. The Committee urges ARS to continue to review its administrative structure for possible cost savings. The Committee will expect that in fiscal year 1984 the administrative costs will not exceed those proposed in the budget. Should ARS determine that this will not be possible, the Committee will expect a complete explanation and justification for increased spending on administrative activities. ARS should continue to make its administrative cost estimates a part of the budget justification materials provided the Appropriations Committee for fiscal year 1985.

ARS PLANNING ACTIVITIES AND MANAGEMENT DECISIONS

During the first few months of calendar year 1983, the Committee learned of several major planning activities and management decisions underway at the Agricultural Research Service (ARS). For planning purposes, a long-range plan and a 6-year implementation plan have been developed and are still under review and revision by the Department. Major management decisions have resulted in the closing of several ARS research laboratories in 1983 and the redirection of over $17,000,000 in research funds to new programs. These redirections have meant an overall shift in research priorities, as well as numerous program changes at labs around the country.

The Committee is aware that these recently announced plans and decisions have created some confusion and uncertainty, especially in the research community and in the private agricultural sector. It is the Committee's intention to continue monitoring these planning and decision-oriented activities very carefully to insure that the intent of Congress is heeded as research funding decisions are made by ARS.

The Committee expects the Department to keep the Committee fully apprised of all developments and implementation plans with respect to ARS' long-range plans and the 6-year implementation plan. Likewise, as the Department determines the need for further redirections and lab closings, the Committee expects to be consulted on all proposed changes prior to their implementation.

It was particularly distressing to the Committee that it officially learned about the proposed 1983 lab closings after numerous inquiries had been made of the Committee by Senators and individuals from many different States. When the Department finally informed the Committee about the lab closings—at the request of the Committee—it was learned that the Department knew as early as 1981 that there would be some closings, and that specific labs to be closed were known in December 1982. The Committee was first informed of the proposed lab closings in early February 1983.

In one instance, ARS proposed to close a lab that the Committee had specifically directed remain open during fiscal year 1983. Moreover, the significant decisions and plans that were being developed by ARS during 1982 were not communicated to the Committee, despite ARS' assurance that the Committee would be kept apprised of significant activities. Such insensitivity to congressional intent and need for information is intolerable.

The Committee agrees with GAO's recommendation that the appropriate committees of Congress be consulted on proposals to consolidate agricultural research activities. The Committee wishes to emphasize to ARS and other Department officials that prior consultation—not notification after the fact—is what the Committee expects.

The Committee has included bill language directing that current efforts at the agricultural research stations at Belle Glade and Lake Alfred, Fla., be continued and that participation in the soil, water, air, and plant (SWAP) program located at Fort Pierce, Fla., be maintained. The Belle Glade station conducts research on mechanical harvesting of sugarcane while the Lake Alfred and Fort Pierce stations focus on citrus research. For the Belle Glade station, funding and staffing in fiscal year 1984 should be no lower than $192,700 and 5 staff-years respectively. For the Lake Alfred station, funding and staffing in fiscal year 1984 should be no lower than $132,700 and 3 staff-years respectively. These funding and staffing levels are consistent with the statement of obligations and staff-years as proposed in the President's fiscal year 1984 budget submission. The Committee is concerned that ARS has indicated they would not replace two recently retired professional employees who worked on the SWAP program at the Fort Pierce station. Therefore, the Committee directs ARS to replace these individuals with other ARS employees of equal ability and to otherwise maintain USDA participation in this program consistent with past efforts.

The Committee notes ARS' intention to divert barley breeding research and $90,000 from Brookings, S. Dak., in order to pursue research on barley, cytogenetics, and genetic stocks elsewhere. The Committee supports the need for more fundamental research approaches to problem solving, but directs that the $90,000 formerly devoted to barley research be utilized instead to employ a plant physiologist, plant biochemist, or molecular biologist in support of ongoing cereals genetics and oil seeds physiology research being conducted at Brookings, S. Dak.

BUILDINGS AND FACILITIES

1983 appropriation	[1] $4,927,000
1984 budget estimate	
House allowance	24,625,000
Committee recommendation	23,227,000

[1] Includes an increase of $3,000,000 as directed in Public Law 98-8 enacted Mar. 24, 1983.

The buildings and facilities account is established for the acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of, or used by, the Agricultural Research Service. Routine construction or replacement items would continue to be funded under the limitations contained in the regular account.

The Committee recommends an appropriation of $23,227,000 for this account. This is $23,227,000 more than the budget estimate, $1,398,000 less than the House allowance, and $18,300,000 more than the amount provided in 1983.

The Committee concurs with the House provision of $12,050,000 for construction of the Old West Regional College of Veterinary Medicine. The Committee has been advised that the Nebraska State Legislature has appropriated over $14,000,000, which should more than match Federal funds being provided for the facility. The Committee understands that Federal planning and construction funds will be based on a 50-percent Federal, 50-percent State and local matching formula basis. The Committee recommends these funds contingent upon the State's matching share being made available.

The Committee also recommends $5,500,000 in planning funds for the Children's Nutrition Research Center at Houston, Tex. The Committee has carefully reviewed the need for a new facility and concludes that new quarters are needed to support the outstanding research being done at the Center. The House bill provides $6,900,000.

The Committee recommends $827,000 for first-year planning costs associated with the construction of a National Soil Tilth Center in Ames, Iowa. The Committee understands that Iowa State University will provide land for locating the facility on its campus in close proximity to those research disciplines needed for the interchange of research equipment, laboratories, and services, including utility hookups. The location of a National Soil Tilth Center at Iowa State would serve as a major focal point for the conduct of research designed to insure this country's permanent capability to produce food, feed, and fiber, without depleting our national resource base. The Committee notes that there has been wide-ranging support for the national center for over 20 years. The Committee has been provided estimates indicating that the total cost for construction of the facility will be approximately $11,500,000. Following the initial year of planning and design, 3 years would be required for actual construction. Annual operating costs of the facility would be approximately $3,000,000.

The Committee further recommends $4,000,000 for the construction of the Forage Seed Production and Research Center at Corvallis, Oreg. The facility would accommodate 10 scientists, and would include a greenhouse and a headhouse. Congress provided $750,000 in 1983 for planning and engineering costs of this project. The Center represents the cooperative efforts of the forage seed industry, Oregon State University, and the Department of Agriculture. It is the Committee's expectation that the Center will have a positive impact on the industry and will contribute substantially to increased exports of forage seeds.

Additionally, the Committee recommends $850,000 for planning and engineering costs associated with the construction of a facility to house the Metabolism and Radiation Research Laboratory at North Dakota State University. This project would expand the activities of the Center in conducting research on sunflowers and sugar beets, with special emphasis on plant genetics, insect and disease control, and basic plant chemistry.

The Committee disagrees with the House provision of $375,000 for integrated small farm production systems for the Southeast Oklahoma Agriculture Research and Technology Transfer Center.

The Committee also disapproves of the House provision of $4,500,000 additional funding for the Virginia-Maryland Regional College of Veterinary Medicine.

Further, the Committee does not concur with the House provision of $800,000 for the Plant Stress and Soil Moisture Laboratory at Lubbock, Tex.

SCIENTIFIC ACTIVITIES OVERSEAS (SPECIAL FOREIGN CURRENCY PROGRAM)

1983 appropriation	[1] $2,977,000
1984 budget estimate	6,149,000
House allowance	5,000,000
Committee recommendation	6,149,000

[1] Excludes program supplemental of $2,000,000.

Foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States are used for expenses of carrying out programs of the Department of Agriculture under the Agricultural Trade Development and Assistance Act of 1954, as amended. Research that is important to American agriculture and supplements our domestic programs is carried on through agreements negotiated with institutions and organizations in foreign countries. For example, research is conducted on exotic pests and diseases of plants and animals which cannot be done in the United States. Specialized projects provide for the translation and dissemination of foreign language scientific publications.

The Committee recommends an appropriation of $6,149,000 for scientific activities overseas. This is the same as the budget estimate, $1,149,000 more than the House allowance, and $3,172,000 more than provided in 1983.

COOPERATIVE STATE RESEARCH SERVICE

1983 appropriation	$244,966,000
1984 budget estimate	231,715,000
House allowance	233,575,000
Committee recommendation	252,805,000

The Cooperative State Research Service participates in a nationwide system of agricultural research program planning and coordination between the States and the U.S. Department of Agriculture which encourages and assists in the establishment and maintenance of cooperation within and among the States and between the States and their Federal research partners. The primary function is the administration of grants and payments to States to supplement State and local funding for agricultural research carried on by the State agricultural experiment stations of the 50 States, Puerto Rico, Guam, the Virgin Islands, the District of Columbia, American Samoa, and Micronesia; by approved schools of forestry; the 1890 land-grant institutions and Tuskegee Institute; colleges of veterinary medicine; and other eligible institutions.

The following table summarizes Committee recommendations for the Cooperative State Research Service.

COOPERATIVE STATE RESEARCH SERVICE

[In thousands of dollars]

	Fiscal year 1983 appropriation	Fiscal year 1984 budget	House bill	Committee recommendation
Payments under Hatch Act	149,295	149,295	152,281	152,281
Cooperative forestry research (McIntire-Stennis)	12,452	12,452	12,702	12,702
Payments to 1890 Colleges and Tuskegee	22,394	22,394	22,844	22,844
Special research grants (Public Law 89-106):				
STEEP-Soil Erosion in N.W	622		622	622
Food and agriculture policies	156		156	156
Soybean	518		518	518
Pest management	3,091		3,091	3,091
Rural development centers	311		311	311
Soybean cyst nematode (Missouri)	300		300	300
Bean and beet (Michigan)	97		97	97
Animal health	7,156	7,156	7,156	7,156
Minor use animal drugs	240	240	240	240
Aquaculture, Stoneville, Miss	270		270	270
Dairy photoperiod (Michigan)	34		35	35
Pesticide clearance	1,440	1,440	1,440	1,440
Pesticide impact assessment	2,069	2,069	2,069	2,069
Dairy goat research	100		100	
Bean flour (Texas/Michigan)	99		80	80
Aquaculture	518		518	518
Antidesertification	1,037			
Germplasm resources	902	902	902	902
Blueberries (Michigan)	96		96	96
Peach tree short life (South Carolina)	192		192	192
TCK Smut (wheat)	361		361	361
Acid precipitation	695	695	695	695
Sugarland use research (Hawaii)	150		150	150
Biological control of pests	480			
Food quality and safety research	384			
Mosquito research	480		480	480
Integrated production systems (Okla.)	200		200	
Agronomic and horticultural studies (Okla.)	50		50	
Dried bean (North Dakota)	25		25	25
Sunflower insects (North Dakota)	80		80	150
Tropical and subtropical	2,980	2,980	2,980	2,980
Potato research	200		400	600
Biomass energy research (Oregon)	1,200			800
Asparagus yield decline (Mich.)			100	100
Biocontrol of grasshoppers			50	

COOPERATIVE STATE RESEARCH SERVICE—Continued

[In thousands of dollars]

	Fiscal year 1983 appropriation	Fiscal year 1984 budget	House bill	Committee recommendation
Special research grants (Public Law 89–106)—Continued				
Wool research (Texas)			150	
Ag Policy Institute (Mo.)				450
Subtotal, special research grants	26,533	15,482	23,914	24,884
1890 facilities	10,000	10,000	10,000	10,000
Competitive research grants:				
Plant science	15,000	15,000	6,000	15,000
Human nutrition	2,000	2,000	2,000	2,000
Animal science		4,500	2,000	4,500
Subtotal, competitive research grants	17,000	21,500	10,000	21,500
Animal health and disease (sec. 1433)	5,760			5,760
Alcohol fuels (sec. 1419)	540		540	540
Native Latex Act (Public Law 95–592—Guayule)	702		702	702
Rangeland research grants (sec. 1480)				1,000
Federal administration	1,081	592	592	592
Subtotal, Cooperative State Research Service	245,757	231,715	233,575	252,805
Adjustments:				
SLUC	-301			
Advisory committees	-490			
Total, Cooperative State Research Service	244,966	231,715	233,575	252,805

Individual items are discussed below:

Payments for cooperative research under the Hatch Act.—The Committee recommends $152,281,000. This is $2,986,000 more than the amount requested in the budget and provided in fiscal year 1983, and the same as the House allowance.

Cooperative forestry research.—The Committee recommends $12,702,000. This is $250,000 more than the budget request, the same amount as provided by the House, and $250,000 more than provided in 1983.

Payments to 1890 Colleges and Tuskegee.—The Committee recommends $22,844,000.

Special research grants under Public Law 89–106.—The Committee recommends a total of $24,884,000. Specifics of individual grant allowances are included in the accompanying table.

Competitive research grants.—The Committee recommends an appropriation of $21,500,000. This is $11,500,000 more than the House allowance, the same as the budget estimate, and $4,500,000 more than was appropriated last year. The Committee continues its commitment to this method of fostering and promoting increased levels of basic agricultural research in our Nation.

Animal health and disease research grants (section 1433).—The Committee recommends $5,760,000 for section 1433 animal health and disease research grants. This is $5,760,000 more than the amount in the budget request and in the House allowance, and the same as the amount provided in 1983.

Soybean cyst nematode (Missouri).—The Committee recommends an appropriation of $300,000 for soybean cyst nematode research in Missouri. This is the same as the amount provided in 1983 and in the House allowance and $300,000 more than the budget estimate.

Aquaculture, Stoneville, Miss.—For aquaculture research at Stoneville, Miss., the Committee recommends $270,000. This is the same as the amount provided in 1983 and in the House allowance, and $270,000 more than the budget request.

Peach tree short life research.—The Committee recommends $192,000 for peach tree short life research to continue the multiyear program initiated in the fiscal year 1982 Appropriations Act. This is $192,000 more than the budget request and is the same amount as provided in 1983, and in the House allowance.

TCK smut (wheat).—This disease is previously discussed under the same heading in the Agricultural Research Service (ARS) section of this report. The Committee recommends $361,000 and will expect a coordinated and integrated research program to continue between the State Agricultural Experiment Stations in the Northwest and ARS.

Sugarland use research (Hawaii).—The Committee recommends concurrence with the House allowance of $150,000 for sugarland use research in Hawaii. This is the same amount as provided in 1983, $150,000 more than in the budget request, and the same amount as in the House allowance.

Dried bean (North Dakota).—The Committee recommends an appropriation of $25,000 for dried bean research in North Dakota. This is the same as the amount provided in 1983 and in the House allowance and $25,000 more than the budget request.

Sunflower insects (North Dakota).—The Committee recommends an appropriation of $150,000 for sunflower midge research. This is $70,000 more than the amount provided in 1983 and in the House allowance and $150,000 more than the budget request.

Tropical and subtropical.—For tropical and subtropical research, the Committee recommends an appropriation of $2,980,000. This is the same amount as requested in the budget and in the House allowance and as provided in 1983. The appropriation in 1982 was made under the ARS program for tropical and subtropical. The Committee continues to concur with the transfer of these funds from ARS to CSRS and has no objection with this treatment of funds as long as the Caribbean Basin and Pacific Basin Advisory Groups remain the sources for solicitation, recommendation, and distribution of section 406 funds.

Potato research.—For potato research, the Committee directs that $200,000 be allocated to the university breeding programs in the States of Pennsylvania, Maine, New York, and Maryland to assist in accelerating the Eastern Russet breeding program.

Additionally, the Committee is cognizant of the Pacific Northwest potato industry's potato development and improvement program. The industries in Idaho, Washington, and Oregon are committed to provide $780,000 for needed facilities during the first 3 years of the program and currently contribute $800,000 annually in support of potato research. The Committee recognizes the need for an accelerated breeding program and directs that $400,000 be allocated to the regular ongoing program provided through CSRS to this tri-State region.

Biomass energy research (Oregon).—In fiscal year 1983, the Congress provided $1,200,000 for initiating a feasibility study on the use of forest slash and agricultural residues for a closed loop, combined cycle, mobile electric powerplant. This study, which requires 27 months to complete, was initiated on September 30, 1982, but has been delayed as a result of the need to submit a revised proposal to the Cooperative State Research Service. As a consequence, it will not be completed in fiscal year 1984 as originally expected and the funding request of $800,000 effects a prolongation of this effort.

Rangeland research program.—The Committee recommends $1,000,000 for implementing a rangeland research program as authorized by the Agriculture and Food Act of 1981. The cooperative research rangeland program should be designed with the objective of improving the productivity of our Nation's public and private rangelands. The program shall also emphasize methods for improving rangeland management so as to directly benefit our Nation's livestock industry. Out of the moneys appropriated, the Secretary will make grants to land-grant colleges and universities, State agricultural experiment stations, and to colleges, universities, and Federal laboratories having a demonstrated capacity in rangeland research.

Agricultural policy center.—The Committee has provided $450,000 for the establishment of an agricultural policy research center at the University of Missouri. The primary objective of the center is to maintain a comprehensive econometric modeling system of the U.S. agricultural industry that will provide the Congress and the public with timely information regarding the economic implications of alternative farm programs, including the Government costs of these alternatives and their prospects for improving farm income, both in the near and long term. The center will depend heavily on interaction between three domestic modeling systems at the University of Missouri and the international modeling center at Iowa State University. The Committee believes that comprehensive, independent analysis of farm policy options, at this time when consideration is being given to revamping the Nation's farm programs, is crucial.

Research facilities at 1890 Colleges and Tuskegee Institute.—For construction of research facilities of the 1890 land-grant colleges and Tuskegee Institute, the Committee recommends $10,000,000, to remain available until expended.

Other research items.—The Committee does not concur with the House allowance of $50,000 for agronomic and horticultural studies, of $50,000 for biocontrol of grasshoppers, $150,000 for wool research, $100,000 for dairy goat research, or $200,000 for an integrated production systems program.

Federal administration.—The Committee concurs with the House allowance of $592,000 for Federal administration. This is $489,000 less than the amount provided in 1983 and the same as the budget request.

EXTENSION SERVICE

1983 appropriation	$328,672,000
1984 budget estimate	287,082,000
House allowance	332,340,000
Committee recommendation	336,340,000

The Extension Service is the educational arm of the U.S. Department of Agriculture. Through its partnership with land grant colleges and universities it uses a nationwide educational delivery system to extend knowledge into virtually every county in the United States and its territories. This education is off campus and informal, and is recognized internationally as the most successful education system of this type ever developed.

The extension partnership includes both the land grant universities that have been established in every State as a result of the Morrill Act of 1862 as well as the primarily black land grant institutions that were established in 16 States by the Second Morrill Act of 1890. Additional institutions that are members of the national extension system include colleges and universities having similar goals and missions in the District of Columbia, Puerto Rico, Guam, Virgin Islands, American Samoa, Micronesia, plus Tuskegee Institute in Alabama. All of these institutions operate active extension programs that form the national extension system.

The primary function of the nationwide system of cooperative extension work is out-of-school applied education in agriculture, home economics, community development, 4–H youth programs, and related subjects. This educational work takes research results, technological advancements, and program facts of the Department of Agriculture, the State agricultural colleges and experiment stations, and incorporates them into a program for action. The Extension Service interprets, disseminates, and encourages practical use of knowledge. It transmits information from researchers to individuals and institutions that are able to utilize and apply the research.

The following table summarizes Committee action on the Extension Service:

EXTENSION SERVICE

[In thousands of dollars]

	Fiscal year 1983 appropriation	Fiscal year 1984 budget	House bill	Committee recommendation
Smith-Lever 3(b) and 3(c)	230,376	230,376	234,984	234,984
1890's	16,241	16,241	17,241	17,241
Smith-Lever 3(d):				
Pest management	7,531		7,531	7,531
Pesticide impact assessment	1,716		1,716	1,716
Farm safety	1,020		1,020	1,020
Urban gardening	3,000		3,000	3,000
Food and nutrition education (EFNEP)	60,354	34,821	60,354	60,354
Renewable Resources Extension Act	2,000			4,000
Payments to District of Columbia (other)	983	983	983	983
Federal administration	5,708	4,661	5,511	5,511
Subtotal, Extension Service	328,929	287,082	332,340	336,340
Adjustments:				
SLUC	-246			
Advisory committees	-11			
Total, Extension Service	328,672	287,082	332,340	336,340

The Committee has provided a total of $234,984,000 for payments under the Smith-Lever Act, sections 3 (b) and (c). This is an increase of $4,608,000 over the level provided in fiscal year 1983 and in the budget request and the same amount as provided by the House. Funding for the 1890 Colleges and Tuskegee Institute is included at $17,241,000, the same amount as provided by the House.

To restore the section 3(d) special grants to last year's level, the Committee recommends $7,531,000 for pest management; $1,716,000 for pesticide impact assessment; $1,020,000 for farm safety; and $3,000,000 for urban gardening. These are the same amounts proposed by the House; however, the budget proposed termination of all the section 3(d) special grants.

For the expanded food and nutrition education training program (EFNEP), the Committee concurs with the House recommendation of $60,354,000. This is the same amount provided in 1983 and $25,533,000 more than the budget request.

The Committee continues to be very concerned about the Nation's forestry resources, especially the need to develop these resources in order to meet increasing demands for wood products. Consequently, the Committee recommends an appropriation of $4,000,000 for activities carried out under the Renewable Resources Extension Act. This is $2,000,000 more than provided in 1983 and $4,000,000 more than the budget request and the House allowance.

For Federal administration, the Committee concurs with the action of the House in restoring $850,000 to the budget request to provide a total of $5,511,000. The Committee directs that $500,000 of this increase be utilized for the extension functions of the four Rural Development Centers. Also included in this total is the restoration of $350,000 to maintain the pilot technology transfer programs in Oklahoma and Mississippi. The budget had proposed to terminate funding for these pilot projects.

For the extension programs in the District of Columbia, the Committee recommends an appropriation of $983,000, the same as the amount available for fiscal year 1983 and the same as the budget request.

NATIONAL AGRICULTURAL LIBRARY

1983 appropriation	[1] 8,849,000
1984 budget estimate	9,873,000
House allowance	9,873,000
Committee recommendation	9,873,000

[1] Excludes pay supplemental of $111,000.

The National Agricultural Library, in cooperation with the Library of Congress and the National Library of Medicine, provides coverage and servicing of worldwide publications in the agricultural, chemical, and biological sciences. It serves all of the Department programs in the Washington metropolitan area, as well as the field installations throughout the country and has the added responsibility of service to the land-grant universities, and the world agricultural science community.

For the National Agricultural Library, the Committee recommends an appropriation of $9,873,000. This is $1,024,000 more than was provided for fiscal year 1983, the same as the budget estimate and the amount provided in the House bill.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

1983 appropriation	[1] $267,915,000
1984 budget estimate	224,740,000
House allowance	277,552,000
Committee recommendation	251,453,000

[1] Excludes a pay supplemental of $3,600,000.

The Animal and Plant Health Inspection Service conducts programs to protect the animal and plant resources of the Nation from destructive pests and diseases. Two major areas of activity are discussed below.

1. Animal and plant disease and pest control.—Survey, diagnostic, and quarantine activities are carried out to control, eradicate, or prevent the introduction of animal and plant diseases and pests. Control and eradication programs are conducted to combat existing diseases and pests.

2. Other regulatory activities.—The Agency performs other regulatory activities including the development of standards for and the licensing and testing of veterinary biologicals to insure their safety and effectiveness, and the inspection of certain establishments which handle animals intended for research, exhibition, and pet purposes, as defined by law, to insure their humane treatment.

COMMITTEE RECOMMENDATIONS

The following table summarizes the Committee's recommendations for the Animal and Plant Health Inspection Service:

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

[In thousands of dollars]

	Fiscal year 1983 appropriation	Fiscal year 1984 budget	House bill	Committee recommendation
PLANT DISEASE AND PEST CONTROL				
Plant protection:				
Bio-control	3,477	3,250	3,250	3,250
Boll weevil	957	786	1,957	1,957
Golden nematode	1,007	900	1,007	900
Grasshopper and Mormon cricket	1,327	....	1,327	1,327
Gypsy moth	5,175	1,500	5,175	5,175
Imported fire ant	5,809	600	5,809	5,809
International programs	1,335	1,672	1,672	1,672
Japanese beetle	104	....	....	....
Mediterranean fruit fly	8,051	6,000	6,000	6,000
Mexican fruit fly	1,433	1,496	1,496	1,496
Miscellaneous plant diseases and pests	483	483	483	483
Noxious weeds	789	100	789	789
Pest detection	3,733	3,919	3,919	3,919
Pink bollworm	2,393	1,500	2,393	2,393
Tri-fly in Hawaii (EIS)	200	....	....	....
Witchweed	4,723	1,100	4,723	4,723
Range caterpillar	160	....	....	....
Total, plant protection	41,156	23,306	40,000	39,893
Agricultural quarantine inspection	46,177	48,944	48,944	48,944
Total, plant disease and pest control	87,333	72,250	88,944	88,837
ANIMAL DISEASE AND PEST CONTROL				
Animal health:				
Animal welfare	4,865	1,568	4,865	4,865
Brucellosis eradication	83,383	50,555	81,383	60,000
Cattle ticks	5,850	6,040	6,040	6,040
Emergency programs	3,398	3,476	3,476	3,476
Foot-and-mouth disease (Darien Gap)	2,197	2,218	2,218	2,218
Horse protection	147	153	153	153
Import-export inspection	4,956	5,411	5,411	5,411
Interstate inspection of livestock	4,950	5,440	5,440	5,440
National poultry improvement plan	200	210	210	210
Poultry diseases	743	620	620	620
Pseudorabies	266	276	1,776	2,660
Scabies eradication	493	....	493	....
Screwworm	48,900	52,410	52,410	47,410
Swine health protection	3,179	3,179	3,179	3,179
Tuberculosis eradication	3,955	4,059	4,059	4,059

ANIMAL AND PLANT HEALTH INSPECTION SERVICE—Continued

[In thousands of dollars]

	Fiscal year 1983 appropriation	Fiscal year 1984 budget	House bill	Committee recommendation
ANIMAL DISEASE AND PEST CONTROL—Continued				
Animal health—Continued				
Veterinary diagnostics	6,305	6,496	6,496	6,496
Miscellaneous animal diseases	949	981	981	981
Total, animal health	174,736	143,092	179,210	153,218
Veterinary biologics	8,398	8,398	8,398	8,398
Total, animal disease and pest control	183,134	151,490	187,608	161,616
Contingencies:				
Plant disease and pest control	500	500	500	500
Animal disease and pest control	500	500	500	500
Total, Contingencies	1,000	1,000	1,000	1,000
Subtotal, Salaries and expenses	271,467	224,740	277,552	251,453
Adjustments:				
SLUC	-3,600			
Advisory committees	-119			
OIRM transfer	+167			
Total, Salaries and expenses	267,915			
Buildings and facilities (repair and improvement)	2,386	2,386	2,386	2,386
Total, APHIS	270,301	227,126	279,938	253,839

For the salaries and expenses of the Animal and Plant Health Inspection Service for fiscal year 1984, the Committee recommends an appropriation of $251,453,000. This is $26,099,000 less than the House allowance, $26,713,000 more than the budget estimate, and $16,462,000 less than the appropriation for fiscal year 1983.

The Committee reiterates its concern that the proposed budget reductions may result in insufficient funds to support proven programs of pest and disease control. This situation would, in turn, require a subsequent request for a supplemental appropriation to correct the currently understated budget needs. Additionally, the Committee believes there is a need to protect the investment and progress made to date in the battle against many pests and diseases.

To protect this investment and progress, and to insure to the highest degree possible that more expensive Federal programs will not be required in the future to address even larger problems, the Committee has restored funds for several important programs.

The Committee concurs with the House position on certain legislative proposals on which the budget request bases projected savings. These proposals would establish user fees for import-export inspection and for agricultural quarantine inspection. The Committee joins the House in not restoring these funds, but, rather, directs the Department to submit a supplemental appropriation in a timely manner to continue these activities if the legislative proposals are not enacted.

Boll weevil eradication.—The Committee recommends $1,957,000. This is $1,171,000 more than the budget request, $1,000,000 more than provided in 1983, and the same as the House allowance.

This funding level provides for the cooperative High Plains control activities and the second year costs of the boll weevil eradication program in North and South Carolina. Local interests in those States provide at least 70 percent of the cost of the program.

Noxious weeds.—The Committee recommends $789,000 for noxious weeds. This is an increase of $689,000 over the budget request, but the same as the amount provided by the House and in 1983.

The Committee directs APHIS to pursue the 4,000-acre trial eradication project for common crupina in the State of Idaho. This harmful weed may well be eliminated if the results demonstrate cost effectiveness. The Committee expects to be kept advised of the trial outcome.

Vesicular stomatitis.—The Committee is aware of the important work that is being carried out on vesicular stomatitis and will expect APHIS to continue to place a high priority on this disease.

Pink bollworm.—The Committee recommends $2,393,000, the same as the 1983 level and the House allowance, and $893,000 more than the budget request. The Committee believes APHIS should continue its regulatory efforts.

Animal Welfare Act enforcement.—The Committee is concerned about the effectiveness of current enforcement of the Animal Welfare Act. In that regard, the Committee will request that GAO conduct a study of the enforcement of the act to be provided to the Committee prior to submission of the fiscal year 1985 USDA budget.

Brucellosis eradication.—For the brucellosis eradication program, the Committee recommends a funding level of $60,000,000, instead of $81,383,000 as provided by the House. The budget request is $50,555,000. It is the Committee's intent that this eradication program continue at a funding level adequate to protect the investment and progress made in efforts to date to eradicate this disease. The Committee believes that this substantial reduction in program funding will not interfere with the Department's ability to administer the brucellosis program. This program has been funded at a level exceeding $80,000,000 annually in recent years without any lowering of the incidence of brucellosis below 0.4 percent. It has come to the Committee's attention that brucellosis funds distributed to the States are often used for program activities other than brucellosis. Furthermore, the program has not fully contended with regional and State variations in need and emphasis within the program. The Committee feels that a more flexibly managed approach, based upon closer consultation with State cooperators, will generate a renewed commitment to the goals of this program by Federal and State officials and by herd owners alike.

The Committee makes this recommendation in reliance on the Department's assurance that the incidence of brucellosis will not increase appreciably as a result. The Committee intends the reduction to effectuate savings in personnel costs and to stimulate more effective management of the program. The Committee intends to monitor the Department's administration of this new approach very closely to insure that the program money is spent on brucellosis eradication activity only. The Committee will expect, at a minimum, that the program will include a primary surveillance system (including the market cattle identification program, market swine testing, and the brucellosis ring test), a secondary surveillance system (including adjacent herd testing and epidemiology) at 60 percent of the fiscal year 1983 level, and continuation of indemnity payments at reduced levels. Should the Department discern any need for additional funding to facilitate administration or to address a major outbreak of the disease, the Committee will expect the Department to submit a supplemental budget request in a timely manner. Furthermore, the Committee directs the Department to report to the Committee quarterly on the progress of administering the program and the impact on the States and on the incidence of the disease, as a result of the decreased program funding level.

Golden nematode.—The Committee recommends $900,000 for golden nematode. This is $107,000 less than was provided in 1983, the same as the budget estimate, and $107,000 less than provided in the House bill.

Gypsy moth.—The Committee concurs with the House in appropriating $5,175,000 for gypsy moth. This is the same amount as was provided in 1983, and is $3,675,000 more than the budget request. The Committee is aware of the serious gypsy moth infestation and directs APHIS to continue to conduct research and eradication actions to curb the gypsy moth.

Imported fire ant.—The Committee concurs with the House in appropriating $5,809,000 for imported fire ant. This is the same as was provided in 1983, and is $5,209,000 more than the budget request.

Witchweed.—The Committee concurs with the House in appropriating $4,723,000 for witchweed. This is the same as was provided in 1983, and is $3,623,000 more than the budget request.

Animal welfare.—The Committee recommends an appropriation of $4,865,000 for animal welfare. This is the same amount as was provided in 1983, $3,297,000 more than was provided in the budget request, and the same amount as provided in the House bill. The funds are to be used to maintain inspection of regulated dealers, research facilities, exhibitors, and carriers.

Grasshopper and Mormon cricket.—The Committee concurs with the House in appropriating $1,327,000 for grasshopper and Mormon cricket. This is the same amount as was provided in 1983, and is $1,327,000 more than the budget estimate.

Pseudorabies.—The Committee recommends $2,660,000 for pseudorabies, which is also called PRV. This is $884,000 more than provided in the House bill, $2,384,000 more than the budget request, and $2,394,000 more than provided in 1983. This increase is provided to activate five pilot projects (Iowa, Illinois, North Carolina, Pennsylvania, and Wisconsin).

Cattle ticks.—The Committee recommends $6,040,000 for cattle tick eradication, the same amount as provided in the House bill and in the budget request, and $190,000 more than appropriated in 1983.

Scabies eradication.—The Committee does not concur with the House recommendation of an appropriation for scabies eradication in the amount of $493,000.

Screwworm.—The Committee recommends for the screwworm program an appropriation of $47,410,000. This is $1,490,000 less than the amount provided in 1983, $5,000,000 less than the budget request and the House allowance.

Because of the increased purchasing power of the dollar in Mexico since the devaluation of the peso and because of the expected large surplus in the program, the Committee feels this reduction will not jeopardize the goal of screwworm eradication to the Isthmus of Tehuantepec by the end of 1984. However, if conditions in Mexico should change and the need arises for additional funds, the Committee will expect APHIS to redirect the necessary funds from any contingency reserve that may exist or to submit a supplemental budget request.

Veterinary diagnostics.—For this program, the Committee recommends $6,496,000, the same as the budget request and the House allowance, and $191,000 over the 1983 appropriation.

Miscellaneous animal diseases.—The Committee recommends $981,000 for this program. This is $32,000 more than provided in 1983, and the same as the budget request and the House allowance.

Contingencies.—The Committee recommends $500,000 for plant disease and pest control contingencies and $500,000 for animal disease and pest control contingencies, for a total of $1,000,000. This total is the same as the amount in the budget request, the House bill and that provided in 1983.

Airport inspections.—The Committee has been informed that APHIS intends to assume responsibility for all plant protection and quarantine inspection activities at airports throughout Hawaii. This inspection program is currently being undertaken by the State of Hawaii under a cooperative agreement with APHIS.

The Committee is concerned about the level of inspection that APHIS is providing at airports in Hawaii, especially since a fourth species of fruit fly was discovered in March 1983. The Committee intends to monitor the transition of inspection responsibilities and expects that inspection procedures will be strengthened at all locations. The Committee is particularly concerned that APHIS take advantage of the availability of experienced Hawaii State Department of Agriculture employees who are currently working as airport predeparture inspectors.

Citrus fruit fly-free zones.—The Committee is interested in ongoing research that seeks to establish fruit fly-free zones that would eliminate the need for fumigation of fruit as required for shipment to some States and foreign countries. Therefore, the Committee recommends that funds be made available for use by the methods development program of the Animal and Plant Health Inspection Service to assist and cooperate in a joint effort with the State of Florida to study the Caribbean fruit fly and eventually help establish fly-free citrus fruit zones in Florida.

Consolidation of border inspection activities.—The Committee is aware of proposals to review consolidation of port inspection functions of APHIS with U.S. Customs Service and Immigration and Naturalization Service into a single border management agency. The Committee feels that such a consolidation would be detrimental to the U.S. agriculture industry. APHIS inspectors currently provide U.S. agriculture vital protection against the introduction of plant and animal pests and diseases that could devastate the industry. APHIS inspectors' specialized education, training, and close coordination of information within the APHIS scientific organization are crucial to maintaining this level of protection. Consolidation of APHIS port inspection functions with different enforcement priorities could result in a significant weakening of our defense against pests and diseases. The Committee will expect APHIS to keep the Committee fully informed of developments relating to consolidation.

BUILDINGS AND FACILITIES

1983 appropriation	$2,386,000
1984 budget estimate	2,386,000
House allowance	2,386,000
Committee recommendation	2,386,000

For buildings and facilities of the Animal and Plant Health Inspection Service for 1984, the Committee recommends an appropriation of $2,386,000. This is the same as the House allowance, the budget estimate, and the amount provided in 1983.

The funding provided is the minimum necessary for the Animal and Plant Health Inspection Service to maintain its current buildings.

The Committee recommends that this entire account remain available until expended since construction projects, even relatively minor alterations, often require planning and preconstruction preparation which exceed a year's duration.

FOOD SAFETY AND INSPECTION SERVICE

1983 appropriation	[1] $315,557,000
1984 budget estimate	333,696,000
House allowance	333,696,000
Committee recommendation	333,696,000

[1] Excludes pay supplemental of $12,520,000.

The major objective of the Food Safety and Inspection Service is to insure that the Nation's commercial supply of meat and poultry products is safe, wholesome, and correctly labeled and packaged, as required by the Federal Meat Inspection Act and the Poultry Products Inspection Act.

The meat and poultry inspection program of the Food Safety and Inspection Service provides continuous in-plant inspection of all domestic plants preparing meat or poultry products for sale or distribution in commerce; reviews foreign inspection systems and establishments that prepare meat or poultry products for export to the United States; and provides technical and financial assistance to States which maintain meat and poultry inspection programs equal to Federal inspection.

For the Food Safety and Inspection Service for fiscal year 1984, the Committee recommends an appropriation of $333,696,000. This is $18,139,000 more than was provided in 1983, the same as the budget estimate and the amount provided in the House bill.

As noted in the House report, the budget request was based upon expected savings of $2,000,000, which would result from a legislative proposal to allow discretionary inspection of processing plants. The Committee's recommendation does not restore this amount. If this legislative proposal is not approved, the Committee will expect that the continuous inspection of processing plants be maintained. Should supplemental funding for FSIS become necessary, the Committee will expect a supplemental request at a later date.

The Committee concurs with the House in deleting bill language regarding the acquisition of lands as it is no longer necessary.

ECONOMIC RESEARCH SERVICE

1983 appropriation	[1] $37,751,000
1984 budget estimate	45,024,000
House allowance	43,841,000
Committee recommendation	45,024,000

[1] Excludes pay supplemental of $1,028,000.

The Economic Research Service was established on September 30, 1981, by separating the functions previously performed by the Economics and Statistics Service into two new program agencies, the Economic Research Service and the Statistical Reporting Service. Management support services for the agency are carried out by a new staff unit, the economics management staff. The agency's responsibility is authorized principally by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627).

The principal function of ERS is to serve the critical need for timely and reliable agricultural economic information (research, forecasts of major agricultural economic indicators, policy analysis, and data) that addresses the multitude of economic concerns and the decisionmaking needs of farmers, extension workers, private analysts, processors, marketers, input suppliers, and policy officials in the Federal Government, Congress, and State and local governments.

For the Economic Research Service, the Committee recommends an appropriation of $45,024,000. This is $7,273,000 more than was appropriated for fiscal year 1983, the same as the budget estimate, and $1,183,000 more than the House allowance. This restoration is for increased operating costs the Committee has been advised are needed.

STATISTICAL REPORTING SERVICE

1983 appropriation	[1] $51,035,000
1984 budget estimate	55,778,000
House allowance	53,903,000
Committee recommendation	55,598,000

[1] Excludes pay supplemental of $1,061,000.

The primary responsibilities of the Statistical Reporting Service are the development and dissemination of national and State agricultural statistics, statistical research, and coordination of the Department's statistical programs as authorized under the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627).

SRS programs are conducted in the following major areas:

Crop and livestock estimates.—This area includes estimates of production, supply, price, and other aspects of the agricultural economy; conduct of enumerative and objective measurement surveys; preparation and issuance of the official national and State estimates and reports of the Department relating to acreages, types and production of farm crops, number of livestock on farms, livestock products, stocks of agricultural commodities, value and utilization of farm products, prices received and paid by farmers, and other subjects as required.

Statistical research and service.—This area includes review, clearance, coordination, and improvement of statistics in the Department, and research on and development of improved statistical techniques used in gathering and evaluating statistical data, including use of satellite data.

Work performed for others.—Services are performed for other Federal and State agencies on a reimbursable or advance payment basis. These services consist primarily of conducting surveys and performing related statistical data collection activities. They also include technical consultation and support and technical assistance programs abroad under participating agency service agreements.

For the Statistical Reporting Service, the Committee recommends an appropriation of $55,598,000. This is $4,563,000 more than the level provided in fiscal year 1983, $180,000 less than the budget estimate, and $1,695,000 more than the House allowance. The reduction below the budget request reflects a transfer to Departmental Administration.

AGRICULTURAL COOPERATIVE SERVICE

1983 appropriation	$4,639,000
1984 budget estimate	3,677,000
House allowance	4,639,000
Committee recommendation	4,639,000

The Agricultural Cooperative Service (ACS) is assigned functions under both the Cooperative Marketing Act of 1926 and functions that relate to the economic and marketing aspects of farmer cooperatives under the Agricultural Marketing Act of 1946. Under the Cooperative Marketing Act, ACS is authorized to: (1) acquire, analyze and disseminate economic, statistical, and historical information regarding the progress, organization, and business methods of cooperative associations in the United States and foreign countries; (2) conduct studies of the economic, legal, financial, social, and other phases of cooperation, including analyses of the organization, operation, financial, and merchandising problems of cooperative associations; (3) make surveys and analyses of the accounts and business practices of representative cooperative associations; (4) confer and advise with committees or groups of producers who want to form a cooperative association and to make an economic analysis of the facts relevant to setting up such an association; (5) promote the knowledge of cooperative principles and practices and to cooperate in promoting such knowledge to others; and (6) make special studies to acquire and disseminate such information.

Under the Agricultural Marketing Act, ACS is authorized to carry out responsibilities relating to the marketing aspects of cooperatives, including economic research and analysis and the application of economic research findings. In addition, ACS is authorized to work with institutions and international organizations on subjects relating to cooperatives.

ACS serves as the focal point of national activity involving agricultural cooperatives. The purpose of ACS is to help farmers help themselves by providing the assistance necessary to support and improve existing cooperatives and to help farmers organize new cooperatives.

For the Agricultural Cooperative Service for the fiscal year 1984, the Committee recommends an appropriation of $4,639,000. This is the same as the amount provided for fiscal year 1983, $962,000 more than the budget estimate, and the same as the House allowance.

Increased direct international trade by farmer cooperatives will directly result in farmers gaining a greater share of the benefits from the sale of agricultural products throughout the world. The Committee directs that within the funds provided the Agricultural Cooperative Service should give priority to efforts to assist and encourage agricultural cooperatives in international marketing.

The Committee directs that the personnel ceiling provided ACS be adequate to carry out the enhanced level of funding included in the bill.

The Committee continues to support the establishment of an Agricultural Cooperative Service Office in the State of Hawaii. The Committee thus concurs, as it did last year, with House action to include bill language earmarking $139,000 for an ACS Office in Hawaii.

WORLD AGRICULTURAL OUTLOOK BOARD

1983 appropriation	[1] $1,403,000
1984 budget estimate	1,522,000
House allowance	1,522,000
Committee recommendation	1,500,000

[1] Excludes pay supplemental of $60,000.

The World Agricultural Outlook Board serves as the single focal point for the Nation's economic intelligence related to domestic and international food and agriculture with the responsibility for coordinating and reviewing for clearance all commodity and aggregate agricultural and food-related data used to develop outlook and situation material within the Department of Agriculture. The Board's primary objective is to improve the consistency, objectivity, and reliability of outlook and situation material being disseminated to the public.

The Board's functions include information dissemination; market surveillance; coordination of international and domestic agricultural developments; coordination of weather, climate and remote sensing research; and forecasting techniques.

For the World Agricultural Outlook Board for fiscal year 1984, the Committee recommends an appropriation of $1,500,000. This is $97,000 more than was provided in 1983, $22,000 less than the budget estimate and the amount provided in the House bill. The Committee believes that a portion of the increased operating costs requested may be absorbed through decreased travel expenditures.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

1983 appropriation	[1] $31,912,000
1984 budget estimate	28,925,000
House allowance	30,729,000
Committee recommendation	30,729,000

[1] Excludes pay supplemental of $3,032,000.

The Agricultural Marketing Service, through its marketing and regulatory programs, promotes the orderly and efficient marketing and effective distribution of products from the Nation's farms. Services continue to expand and become more complex as the volume of agricultural commodities increases, as a greater number of new processed commodities are developed, and as the market structure undergoes extensive changes. Marketing changes include increased concentration in food retailing, direct buying, decentralization of processing, growth of interregional competition, vertical integration, and contract farming. The individual activities include a market news service; inspection, grading, and standardization services; market protection and promotion activities; wholesale market development; and market development and assistance. The AMS also provides program related services for Federal, State, and private agencies on a reimbursable basis.

For the Agricultural Marketing Service, Marketing Services, for fiscal year 1984, the Committee recommends an appropriation of $30,729,000. This is $1,183,000 less than was provided in 1983, $1,804,000 more than the budget estimate, and the same as the House allowance.

The Committee concurs with the House in restoring $1,543,000 for the wholesale market development program and $355,000 for cotton warehouse examinations. The Committee also approves a reduction of $1,900,000 for administrative costs associated with section 32 purchases which are now paid from section 32 funds.

LIMITATION ON ADMINISTRATIVE EXPENSES

1983 appropriation	($30,910,000)
1984 budget estimate	(30,910,000)
House allowance	(30,910,000)
Committee recommendation	(30,910,000)

The Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35) initiated a system of user fees for the cost of grading and classing tobacco, cotton, naval stores, and for warehouse examination. These activities, authorized under the U.S. Cotton Standards Act, the Tobacco Inspection Act, the Naval Stores Act, the U.S. Warehouse Act, and other provisions of law are designed to facilitate commerce and to protect participants in the industry.

For fiscal year 1984, the Committee recommends a limitation on obligations from user fees for these activities of $30,910,000. This is the same as last year's level, the House allowance, and the budget request.

The Committee notes that the budget presumes the Commodity Credit Corporation will continue to pay at least one-half of the cost of warehouse examinations. The Committee concurs with this and will expect to be informed prior to any change in this policy.

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY (SECTION 32)

Under section 32 of the Act of August 24, 1935, as amended, 30 percent of customs receipts collected during each calendar year are automatically appropriated for expanding outlets for nonbasic commodities. Most of the funds are transferred to the Food and Nutrition Service and are dedicated to commodity distribution activities under section 6 of the National School Lunch Act and other authorities specified in the child nutrition appropriation. If surpluses of nonbasic commodities not presently foreseen should develop, the unused section 32 balance is available for surplus removal.

The Committee recommends a program that will provide for an unobligated balance of approximately $219,169,684 at the end of fiscal year 1984. The Committee recommends $5,840,000 for the marketing agreements and orders program. This is the same as the House allowance, the budget estimate, and $170,000 more than the amount provided in 1983.

PAYMENTS TO STATES AND POSSESSIONS

1983 appropriation	$1,000,000
1984 budget estimate	....
House allowance	1,000,000
Committee recommendation	1,000,000

The Federal-State marketing improvement program is authorized by section 204(b) of the Agricultural Marketing Act of 1946, in which cooperative agreements are authorized between the U.S. Department of Agriculture and State Departments of Agriculture or similar State agencies. Beginning in fiscal year 1980, those projects funded were coordinated with the wholesale market development program. These agreements made possible joint Federal/State projects aimed at improving the efficiency of the agricultural marketing chain. The States contribute at least half of the cost of such projects. The work is performed either by State personnel or is contracted out to private industry.

Payments are made to State marketing agencies to assist in testing new marketing innovations to reduce the cost of marketing and seek means for providing more reliable market information, developing better quality standards and developing additional domestic and foreign market outlets. This program has covered such projects as: electronic marketing, telephone auction systems, maintaining and improving the quality of products, ways of reducing marketing costs, expanding outlets for products, collecting and disseminating special State and local market information and statistics, and improving the organizational structure of the marketing system.

For payments to States and possessions for fiscal year 1984, the Committee recommends $1,000,000. This is the same amount as provided in 1983, and the same amount provided in the House bill. No appropriation was requested by the administration.

OFFICE OF TRANSPORTATION

1983 appropriation	[1] $2,367,000
1984 budget estimate	2,523,000
House allowance	2,523,000
Committee recommendation	2,523,000

[1] Excludes pay supplemental of $49,000.

The Office of Transportation is responsible for programs that will enhance and improve the transportation system in the agricultural and rural areas of the United States. The Office provides technical assistance to producers, producer groups and rural communities; provides technical information to carriers and shippers; conducts economic analysis and technical research and development in transportation; and coordinates transportation programs within USDA.

For the Office of Transportation for fiscal year 1984, the Committee recommends an appropriation of $2,523,000. This is $156,000 more than was provided in 1983, the same as the budget estimate, and the same amount as provided in the House bill.

PACKERS AND STOCKYARDS ADMINISTRATION

1983 appropriation	[1] $8,668,000
1984 budget estimate	9,013,000
House allowance	9,013,000
Committee recommendation	9,013,000

[1] Excludes pay supplemental of $166,000.

This agency administers the Packers and Stockyards Act of 1921, as amended, which is designed to assure free, open, and fair competition and fair practices in the marketing of livestock, live poultry, meat and dressed poultry. It protects consumers against unfair business practices in the marketing of meat and poultry. It protects members of the livestock marketing and meat industries from unfair, deceptive, discriminatory, and monopolistic practices of competitors.

Investigations are conducted to determine that the operations of packers and retail organizations do not involve the proscribed malpractices. Through the use of required annual and special reports, as well as audits, the financial stability of these organizations is determined in order to guard against loss to persons and firms dealing with them. When violations or insolvencies are established, procedures to obtain cease and desist orders are initiated in order to prevent future violations.

Operations of stockyards, market agencies, and dealers are investigated and audited to assure that their business practices are fair and in free open competition, that they are financially sound, and that adequate services and facilities are furnished by stockyards and market agencies at reasonable and nondiscriminatory rates and charges.

For the Packers and Stockyards Administration, the Committee recommends an appropriation of $9,013,000. This is $345,000 more than provided in 1983, the same as the budget estimate and the amount provided in the House bill.

Farm Income Stabilization

Agricultural Stabilization and Conservation Service

SALARIES AND EXPENSES

	Appropriation	Transfer from CCC	Total
1983 appropriation	$55,962,000	($314,818,000)	($370,780,000)
1984 budget estimate	51,986,000	(308,193,000)	(360,179,000)
House allowance	51,986,000	(358,193,000)	(410,179,000)
Committee recommendation	51,986,000	(358,193,000)	(410,179,000)

The account "Salaries and expenses, Agricultural Stabilization and Conservation Service" funds the administrative expenses of programs administered by, and the functions assigned to, ASCS. The funds consist of direct appropriations, transfers from the Commodity Credit Corporation (CCC), and miscellaneous advances from other sources.

Activities carried out under this program include program formulation and appraisal, operation of supply adjustment, conservation, and support programs, and inventory management and merchandising.

ASCS serves as the staff support activity for farm programs operated through the Commodity Credit Corporation.

For salaries and expenses of the Agricultural Stabilization and Conservation Service for fiscal year 1984, the Committee recommends $410,179,000. This is $39,399,000 more than was provided in 1983, $50,000,000 more than the budget estimate, and the same amount provided in the House bill. Of this total funding, $51,986,000 is provided in the form of a direct appropriation, and $358,193,000 is provided by transfer from the Commodity Credit Corporation. The increase over the budget request relates to the increased workload associated with the payment-in-kind program and the salaries associated with administration of the agricultural conservation program, the forestry incentives program, and the water bank program.

DAIRY INDEMNITY PROGRAM

1983 appropriation	$7,000,000
1984 budget estimate	....
House allowance	1,800,000
Committee recommendation	1,800,000

Under this program, the Department makes indemnification payments to dairy farmers and manufacturers of dairy products who, through no fault of their own, suffer losses because they are directed to remove their milk from commercial markets due to contamination of their products by pesticides or radioactive materials.

For the dairy indemnity program for fiscal year 1984, the Committee recommends an appropriation of $1,800,000. This is $5,200,000 less than provided in 1983 and is the same as the amount provided in the House bill. No appropriation was requested by the administration.

The Committee recommendation covers the estimated claims that remain outstanding following the widespread contamination of Hawaii's milk supply by the pesticide heptachlor. Indemnification applications have been approved and paid for the period March through September 1982, but further claims are expected for the period October 1982 through January 1983. The Committee's recommendation completes congressional action in providing funding for claims submitted by milk producers and processors on the island of Oahu in the State of Hawaii.

CORPORATIONS

FEDERAL CROP INSURANCE CORPORATION

ADMINISTRATIVE AND OPERATING EXPENSES

1983 appropriation	[1] $235,200,000
1984 budget estimate	278,987,000
House allowance	238,987,000
Committee recommendation	228,987,000

[1] Excludes pay supplemental of $991,000.

The Federal Crop Insurance Corporation, a wholly owned Government corporation, was created on February 16, 1938 (7 U.S.C. 1501–1520), to carry out the provisions of the Federal Crop Insurance Act. The purpose of the Corporation is to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance.

The Federal Crop Insurance Corporation provides a cost-sharing insurance program for agricultural producers to protect their production investment against essentially all unavoidable risks. The expanding crop insurance program constitutes a joint effort by the private insurance industry and the Government. The private insurance companies and agents are being utilized in the delivery of the program to the farmers.

The Federal crop insurance program comprises the following major activities: (1) underwriting, actuarial, and program development; (2) marketing and collections; and (3) contract servicing and claims.

Crop insurance offered to agricultural producers by the Corporation provides protection from losses caused by natural hazards, such as insect and wildlife damage, plant diseases, fire, drought, flood, wind, and other weather conditions. It does not indemnify producers for losses resulting from negligence or failure to observe good farming practices.

The crop insurance program was extensively revised by the Federal Crop Insurance Act of 1980. The act altered the funding mechanism requiring that all administrative expenses be derived from appropriations. Previously, these expenses were provided by a combination of appropriations and transfers from the FCIC fund. The new act also changed the policy objectives for the program and the method by which the objectives would be achieved.

For administrative and operating expenses of the Federal Crop Insurance Corporation for fiscal year 1984, the Committee recommends an appropriation of $228,987,000. This is $6,213,000 less than was provided in 1983, $50,000,000 less than the budget estimate, and $10,000,000 less than the amount provided in the House bill.

The requirement for funding for administrative and operating expenses in fiscal year 1984 is based primarily on anticipated participation in the crop insurance program, as well as actual participation in fiscal year 1983. Reports received by the Committee indicate that participation in the program in fiscal year 1983 is considerably lower than had been projected in the budget. With lower participation, the requirement for a substantial increase in funding for contract servicing and claims, especially to pay for the cost of renewal business, is substantially reduced. In addition, due to the high likelihood of significant acreage reduction programs being continued in fiscal year 1984, the Committee believes participation levels and coverage estimates assumed in the budget estimates will not be achieved.

By providing less than the budget estimate, it is not the intent of the Committee to artificially restrain the expansion of the crop insurance program. Should participation and coverage be higher than the Committee has estimated, supplemental funding to cover the shortfall in administrative and operating expenses would be forthcoming.

For the past 2 years, the Department has refused to provide the Committee with revised estimates of the funding needs of the crop insurance program. In order to develop its own estimates of the program's funding requirements, the Committee needs up-to-date information on the program's performance. As a result, the Committee will continue to expect FCIC to provide monthly reports on participation and cancellation rates, as well as any pertinent changes in marketing or reinsurance contracts and any significant changes in administrative procedures which may impact on the cost of the Federal crop insurance program. The data received by the Committee during fiscal year 1983 has not included reinsured company data. The Committee knows of no reason why this data should not be readily obtainable by FCIC to be included in the monthly reports. The Committee will expect the monthly reports provided in fiscal year 1984 to include reinsured company data.

The Committee shares the concern expressed by the House over the absence of audit procedures to determine whether billings from reinsurance companies are valid. The Committee will expect the Manager to correct this.

The Committee has agreed to the limitation on funds available for official reception and representation expenses proposed by the House.

SUBSCRIPTION TO CAPITAL STOCK

1983 appropriation	$150,000,000
1984 budget estimate	
House allowance	
Committee recommendation	

The Federal Crop Insurance Act of 1980, approved September 26, 1980, authorized the capitalization of the Federal Crop Insurance Corporation up to $500,000,000. Under provisions of the new act, the Secretary of the Treasury can purchase up to $500,000,000 of capital stock issued by the Corporation. Issuance of this stock would provide sufficient working capital for the Corporation to meet the indemnity claims of its insured agricultural producers.

For subscription to capital stock, the Committee recommends no appropriation for fiscal year 1984, since it feels the Corporation will maintain a favorable cash position throughout the year. There was no budget request for this account, nor funding provided by the House.

FCIC FUND

1983 appropriation	$143,233,000
1984 budget estimate	194,883,000
House allowance	144,883,000
Committee recommendation	124,883,000

The Federal Crop Insurance Act of 1980 authorizes the payment of a Federal subsidy of up to 30 percent of the adjusted insurance premium paid by agricultural producers participating in the program. Subsidies will be paid by the Corporation based upon 30 percent of each producer's premium (reduced, where applicable, for hail and fire exclusion or State agency subsidy) on any coverage under the Corporation's policy of insurance of up to a maximum of 65 percent of the recorded or appraised average yield, as adjusted. This Federal subsidy reduces the participating producers' cost of insuring against loss and encourages the broadest possible participation of agricultural producers in the program.

For the FCIC fund, the Committee recommends an appropriation of $124,883,000 for fiscal year 1984. This is $18,350,000 less than provided in 1983, $70,000,000 less than the budget estimate, and $20,000,000 less than the amount provided in the House bill.

Funding requirements for the FCIC fund are based primarily on participation in the program in fiscal year 1983 and the Federal subsidy required for producer premiums in that year. The budget estimate was based on an assumed $680,000,000 level of premiums in fiscal year 1983. Current data available to the Committee indicates that actual premiums in the current year may only be one-half of that assumed in the budget. The Committee estimates fiscal year 1983 premiums at a level about equal to fiscal year 1982. The reduced level of funding provided by the Committee for the FCIC fund will not impact on the ability of FCIC to carry out an effective crop insurance program, but it does reflect the program's current performance.

The Committee agrees with the action of the House in rejecting proposed bill language which would make this account a current, indefinite appropriation and which would allow the Corporation to borrow from the Treasury.

COMMODITY CREDIT CORPORATION

The principal operations conducted by the Commodity Credit Corporation are support programs for agricultural commodites, including the storage, handling, and disposition of commodities acquired under the programs; set-aside or acreage reduction, deficiency, disaster, and/or diversion payment programs for feed grains, wheat, rice, and cotton; and special activities, such as those under the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480), which are financed by appropriations authorized by statutes providing for the activities. Under section 4(a) of the Food for Peace Act of 1966, as amended, CCC may finance short-term export credit sales on credit terms not to exceed 3 years under the export credit sales program. The Corporation is also authorized by section 4(b) of the Food for Peace Act of 1966, as amended, to finance intermediate-term export credit sales in excess of 3 years, but not more than 10 years. The Corporation is further authorized under its charter authority to enter into export guarantee financing arrangements with respect to exported commodities.

Management of the Corporation is vested in a board of directors, subject to the general supervision and direction of the Secretary of Agriculture who is an ex officio director and chairman of the board. The board consists of seven members, in addition to the Secretary, who are appointed by the President of the United States by and with the advice and consent of the Senate.

The activities of the Corporation are carried out mainly by the personnel and through the facilities of the Agricultural Stabilization and Conservation Service (ASCS) and the Agricultural Stabilization and Conservation (ASC) State and county committees. The Foreign Agricultural Service–General Sales Manager, other agencies and offices of the Department and commercial agents are also used to carry out certain phases of the Corporation's activities.

The Corporation's capital stock of $100,000,000 is held by the United States. Under present law up to $25,000,000,000 may be borrowed from the U.S. Treasury to finance operations. The Corporation reserves a sufficient amount of the borrowing authority to purchase at any time all loans and other obligations held by financial institutions under the Corporation's programs.

CCC operations and expenses are unique in many ways. Its major activity of supporting commodity prices as required or authorized by law produces large losses to the Corporation which must be reimbursed by annual appropriations.

Support of farm prices is accomplished through loans, payments (both in cash and in-kind), and purchases from farmers or processors.

Under existing law, CCC is required to support the price of corn, cotton, wheat, rice, peanuts, tobacco, dairy products, honey, wool, mohair, barley, oats, rye, grain sorghum, sugar, soybeans, and seed cotton at levels provided for by law. CCC has to make an offer, open to all producers, to make loans upon or purchase any quantity of these commodities produced which meet eligibility requirements. Additionally, CCC supports the prices of other commodities at the discretion of the Secretary.

CCC has no control over the volume of business it must handle. The relationship of the market price for each commodity to the support price largely determines the volume of that commodity which will be placed under loan or acquired by the CCC. This, in turn, is determined by weather conditions, insect damage, use of fertilizers, and all other factors influencing production; and by already existing supplies, domestic and export demand, and other factors affecting the market. Dispositions of inventory are governed by the same set of economic factors. These circumstances can cause tremendous variations over relatively short periods in the volume of CCC support operations.

Currently, the payment-in-kind (PIK) program, announced on January 11, 1983, is available to producers who participate in the 1983 crop acreage reduction and land diversion programs for wheat, corn, grain sorghum, rice, and upland cotton. Based on the outlook for stocks, a program for the 1984 crops is also anticipated. Under the PIK program, producers who agree to further reduce 1983 crop acreages will receive as payment an amount of the same commodity from outstanding CCC regular and reserve loans or from CCC inventories.

REIMBURSEMENT FOR NET REALIZED LOSSES

1983 appropriation	[1] $16,173,514,000
1984 budget estimate	10,173,636,000
House allowance	9,673,636,000
Committee recommendation	9,673,636,000

[1] Includes an increase of $5,707,457,000 provided in Public Law 98-8, enacted March 24, 1983.

As noted in the House report, OMB's April update on the budget reduces estimated outlays for CCC in fiscal year 1984 by $2,500,000,000. However, due to the uncertainty of costs and participation in the PIK program, as well as to the recent history of the need for supplemental appropriations for CCC, the Committee feels that a reduction of $2,500,000,000 may be too drastic.

Therefore, the Committee concurs with the House provision of $9,673,636,000 for reimbursement for net realized losses. This is $6,499,878,000 less than the amount provided in 1983 and $500,000,000 less than the budget estimate.

The Committee will expect the budget explanatory notes provided the Committee for fiscal year 1985 to specifically identify funds requested to reimburse CCC for costs incurred in carrying out the PIK program. The Committee believes it is important for future farm policy decisionmakers to understand fully the costs involved in carrying out a payment-in-kind farm program.

EXPORT CREDIT

For fiscal year 1983, the Congress had established a ceiling of $500,000,000 on the amount of direct export credits that could be extended through the Commodity Credit Corporation. The Committee has eliminated this limitation in the fiscal year 1984 bill. Export credits are an important tool in our efforts to maintain and expand agricultural markets throughout the world. The Committee expressed concern in its report on H.R. 3069, the supplemental appropriations bill for fiscal year 1983 (Senate Report 98–148) that limitations on the extension of additional export credit guarantees in fiscal year 1983 may result in the loss of as much as $2,000,000,000 in additional agricultural exports.

The fiscal year 1984 budget proposes to reduce the level of export credits. The Committee is concerned that such restraint may exacerbate the decline of U.S. agricultural export volume.

The elimination of a specific ceiling on direct export credits will give the administration maximum flexibility to carry out an export credit program which will bring about the greatest benefit to farmers and taxpayers alike. Increased exports bolster commodity prices and directly reduce outlays for farm price support programs. Every $1,000,000,000 in additional agricultural exports support an estimated 30,000 jobs in the domestic economy, thus reducing the need for government unemployment and welfare payments.

In order to improve oversight of the export credit programs, the Committee will expect to receive a monthly report on the export credit activities of the Department, including levels of assistance requested and commitments made.

TITLE II—RURAL DEVELOPMENT AND ASSISTANCE PROGRAMS

RURAL DEVELOPMENT ASSISTANCE

OFFICE OF RURAL DEVELOPMENT POLICY

1983 appropriation	[1] $2,000,000
1984 budget estimate	2,388,000
House bill	2,388,000
Committee recommendation	2,127,000

[1] Excludes pay supplemental of $30,000.

The Office of Rural Development Policy (ORDP) was established by Secretary's memorandum No. 1020-3, which transferred the Department's rural development policy function from the Farmers Home Administration (FmHA) to the Director, Office of Rural Development Policy.

The primary responsibility of this Office is expressed in sections 603 and 607 of the Rural Development Act of 1972, as amended by the Rural Development Policy Act of 1980, which directs that the Secretary of Agriculture assume responsibility for leadership and coordination of a nationwide rural development program utilizing the resources of all Federal departments and agencies in coordination with State and local government rural development programs. The means specified in the amendment by which the Secretary will develop and implement this nationwide rural development program is the annual preparation and implementation of a national rural development strategy for: (a) identifying emerging rural issues and needs on an ongoing basis; (b) strengthening the State and local government role in rural development; (c) developing and implementing policy guidelines that can provide sound government program direction for service to rural America; and (d) encouraging the private sector to expand their role in rural development.

For the Office of Rural Development Policy, the Committee recommends an appropriation of $2,127,000. This is $261,000 less than the budget request and the amount provided in the House bill, and $127,000 more than was available for ORDP in fiscal year 1983.

The Committee notes that the administration's rural development strategy, entitled "Better Country: A Strategy for Rural Development in the 1980's," recommends that the Federal Government improve the quality and quantity of its data on rural America. The Committee agrees with this recommendation and directs the Office of Rural Development Policy to work with, and provide financial support for, the Center for Rural Studies at the University of Vermont to accomplish this important objective.

The Committee notes that a requested increase of $261,000 was to be used primarily for the implementation of the rural strategy announced February 4, 1983, which called for a new rural housing block grant program and significant reductions in the rural development programs of the FmHA. The Committee has rejected the proposed changes in the current rural development activities and, therefore, believes the increase to be unjustified. The remaining increase is for increased costs of salaries and expenses.

The Committee has deleted language added by the House which would permit ORDP to make grants. The Committee believes if grants are to be made to further rural development they should be made through the Farmers Home Administration.

FARMERS HOME ADMINISTRATION

The Farmers Home Administration provides credit for those in rural America who are unable to get credit from other sources at reasonable rates and terms. The agency also administers several grant programs.

The agency operates principally under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921) and title V of the Housing Act of 1949 (42 U.S.C. 1471).

The Farmers Home Administration makes loans from funds borrowed from the U.S. Treasury and from sales of certificates of beneficial ownership to the Federal Financing Bank (FFB).

The following table reflects the loan and grant program levels of programs administered by the agency in 1983, proposed in the budget for 1984, reflected in the House bill, and recommended by the Committee:

LOAN AND GRANT LEVELS

[In millions of dollars]

	1983 level	1984 budget	House bill	Committee recommendation
TYPE OF LOAN				
Rural housing insurance fund:				
Low-income housing loans (sec. 502)	2,300.0	280.0	2,300.0	2,300.0
Moderate-income housing (insured)	29.0		135.0	100.0
Rural housing site development (sec. 524)	2.0		2.0	2.0
Rural rental housing (sec. 515)	940.0	16.0	940.0	940.0
Very low-income housing repair (sec. 504)	24.0	1.0	24.0	24.0
Domestic farm labor (sec. 514)	19.0	3.0	20.0	19.0
Rural rental assistance payments	123.0		62.0	73.0
Subtotal, rural housing insurance fund	3,437.0	300.0	3,483.0	3,458.0
Agricultural credit insurance fund:				
Farm ownership (insured)	700.0	600.0	625.0	625.0

See footnote at end of table.

LOAN AND GRANT LEVELS—Continued

[In millions of dollars]

	1983 level	1984 budget	House bill	Committee recommendation
TYPE OF LOAN—Continued				
Agricultural credit insurance fund—Con.				
Farm ownership (guaranteed)	75.0	50.0	50.0	50.0
Farm operating (insured)	1,460.0	1,810.0	1,810.0	1,810.0
Farm operating (guaranteed)	50.0	50.0	100.0	100.0
Soil and water (insured)	47.1	20.0	47.1	20.0
Soil and water (guaranteed)	6.0	6.0	6.0	6.0
Economic emergency (guaranteed)	600.0		[1]600.0	
Indian land acquisition	12.0	4.0	12.0	12.0
Soil conservation	30.0		30.0	30.0
Subtotal, agricultural credit insurance fund	2,980.1	2,540.0	3,280.1	2,653.0
Rural development insurance fund:				
Water and waste disposal loans	825.0	250.0	375.0	270.0
Community facility loans	130.0	100.0	130.0	130.0
Industrial facility loans	300.0		300.0	300.0
Subtotal, rural development insurance fund	1,255.0	350.0	805.0	700.0
TYPE OF GRANT				
Water and waste disposal	275.0	90.0	125.0	90.0
Farm labor housing		4.4	4.4	4.4
Mutual and self-help housing	12.5		5.0	12.5
Home repair (sec. 504)	12.5		12.5	12.5
Rural housing block grants		850.0		
Rural community fire protection	3.25		3.25	3.25
Compensation for construction defects	2.0		2.0	2.0
Rural rental assistance payments		62.0	49.0	62.0

[1] If authorized by law.

RURAL HOUSING INSURANCE FUND

The Rural Housing Insurance Fund was established under the authority contained in section 1003(a) of the Housing and Urban Development Act of 1965 (Public Law 89-117), approved August 10, 1965. Public Law 89-117 authorized an appropriation of such sums as may be necessary for the purposes of the fund. An appropriation of $100,000,000 was provided by the Supplemental Appropriations Act, 1966 (Public Law 89-409) to capitalize the fund for future operations.

This fund may be used to insure or guarantee rural housing loans, loans for rural rental and cooperative housing, farm labor housing loans, rural housing site loans and mobile home park loans. Beginning in fiscal year 1978, rental assistance payments were made from the fund. Loan programs are limited to rural areas which include towns, villages and other places of not more than 10,000 population, which are not part of an urban area, and areas with a population in excess of 10,000 but less than 20,000 if such area is not included in a standard metropolitan statistical area and has a serious lack of mortgage credit for low and moderate income borrowers.

This fund provides a variety of loans, within the income categories mentioned, including the following low-income housing assistance: subsidized loans for repairs, general purpose loans, domestic farm labor loans, and rental or cooperative loans. Unsubsidized loans for low-income persons include general purpose loans and site loans.

Moderate-income housing assistance is provided in the following form: unsubsidized loans for general purposes, rental or cooperative loans, site loans and mobile home park loans.

DIRECT LOANS

1983 loan level	($24,000,000)
1984 budget estimate	(1,000,000)
House bill	(24,000,000)
Committee recommendation	(24,000,000)

Direct rural housing loans to individuals with very low income may be made on farms, in the open country, and in towns of not more than 10,000 population that are rural in character. These loans may also be made in towns of 10,000–20,000 population that are not located within standard metropolitan statistical areas, and have a serious lack of mortgage credit.

The Committee recommends that $24,000,000 be provided for direct loans in 1984. This is the same as fiscal year 1983, the House bill, and $23,000,000 more than the budget.

INSURED LOANS

1983 loan level	($3,261,000,000)
1984 budget estimate	(299,000,000)
House bill	(3,397,000,000)
Committee recommendation	(3,361,000,000)

For insured loans for fiscal year 1984, the Committee recommends a level of $3,361,000,000. This is $100,000,000 more than was available for fiscal year 1983, $3,062,000,000 more than the budget request, and $36,000,000 less than the amount provided in the House bill.

The Committee concurs in the House level for low-income insured housing loans, and has provided $35,000,000 less than the House for moderate-income housing.

The Committee recommends an increase of $924,000,000 over the budget request for section 515 rural rental housing loans. This is the same as the fiscal year 1983 level and the level provided by the House. As fewer Americans are able to afford homeownership, the demand for affordable rental housing continues to increase. The higher level provided for section 515 will help meet this demand in rural areas.

It has come to the Committee's attention that a recent FmHA directive requires that the construction of FmHA-financed rural rental housing projects be funded only if not more than 40 percent of the occupants would be dependent on rental assistance. The effect of this directive is to deny housing to the neediest people in rural communities. Congress has repeatedly directed FmHA to focus its rural housing programs on low- and moderate-income households and has required FmHA to target assistance to the poorest, worst-housed citizens. Therefore, the Committee directs FmHA to require only that the applicant, whose project will house occupants utilizing rental assistance payments, demonstrates that a market exists for persons and families eligible for those payments.

The budget proposed a new rural housing block grant which would make funds available directly to the States to provide assistance for acquisition, construction, improvement, alteration, repair of or conversion of structures for dwellings and rental housing. This would replace the current direct loan programs. The proposed legislation has not been enacted; therefore, the Committee has maintained the current housing programs.

The Committee remains concerned over the number of housing units in FmHA inventory. As of January 31, 1983, FmHA had 13,564 properties in inventory, an increase of 4,682 from a year earlier. FmHA estimates the annual carrying costs of its inventory at $4,506 per unit, or over $60,000,000 if the January inventory was held for 1 year. The Committee believes that every effort must be made to decrease this inventory. The Committee will expect FmHA to develop a comprehensive plan to correct the inventory problem which may include transferring the management of these properties to private, nonprofit housing groups to rent to low-income individuals. The Committee will expect this plan prior to the end of calendar year 1983.

RENT SUPPLEMENT AUTHORIZATION

1983 authorization	($123,745,000)
1984 budget estimate	
House allowance	(62,000,000)
Committee recommendation	(73,000,000)

The Housing and Community Development Act of 1976 established a rural rental assistance program to be administered by Farmers Home Administration through the Rural Housing Insurance Fund.

The objective of the program is to reduce rents paid by low-income families living in FmHA-financed rental projects and farm labor housing projects. Under this program, low-income tenants pay no more than 25 percent of their adjusted monthly income for rent. Payments from the fund are made to the project owner to make up the difference between the tenant's payment and the approved rental rate established for the unit.

For rural rental assistance for existing rental units, the Committee recommends an authorization of $73,000,000, which is $11,000,000 more than the House allowance. The administration made no request for the revolving fund, but did request a $62,000,000 direct appropriation for rural rental assistance payments.

Funds have been provided for 7,000 units under the rent supplement program estimated to cost $73,000,000 in new funds over the life of the agreements. The Committee concurs with the House recommendation that funding for rent supplement agreements for existing rental units be retained as a part of the Rural Housing Insurance Fund. The funds provided will be sufficient to renew rent supplement agreements on 6,000 units and allow rent supplement to be extended to 1,000 additional existing units to assist low-income households, particularly those in financially troubled projects. The Committee concurs with the House in limiting agreements to 5 years.

REIMBURSEMENT FOR INTEREST SUBSIDIES AND OTHER LOSSES

1983 appropriation	$1,109,722,000
1984 budget estimate	1,508,082,000
House allowance	1,508,082,000
Committee recommendation	1,508,082,000

This appropriation will be used to reimburse the Rural Housing Insurance Fund for funded interest subsidies and losses incurred in fiscal year 1981. Section 521(c)(1) of the Housing Act of 1949, as amended, authorizes annual appropriations to the Rural Housing Insurance Fund of the amounts by which interest payments made from the Fund to investors in insured loans exceed the interest due from borrowers. In addition, section 517(e) of the act authorizes appropriations to restore all other losses to the Fund. The amount requested is exclusive of provision for future losses, unfunded costs, and imputed interest.

For reimbursement for interest subsidies and other losses for fiscal year 1984, the Committee recommends an appropriation of $1,508,082,000. This is $398,360,000 more than was provided in 1983, and the same as the budget estimate and the amount provided in the House bill.

AGRICULTURAL CREDIT INSURANCE FUND

The Agricultural Credit Insurance Fund is used to insure or guarantee farm ownership, soil and water, recreation, farm operating, and emergency loans to individuals, as well as the following types of loans to associations: irrigation and drainage, grazing, recreation, Indian tribe land acquisition, watershed protection, flood prevention, and resource conservation and development. The insurance endorsement on each insured loan may include an agreement by the Government to purchase the loan after a specified initial period.

Loans may be made by the fund from available receipts or Treasury borrowings. Loans made by the fund are held in a pool as security for certificates of beneficial ownership which are sold primarily to the Federal Financing Bank. FmHA is also authorized to provide financial assistance to borrowers by guaranteeing loans made by private lenders having a contract of guarantee from FmHA as approved by the Secretary of Agriculture.

The following programs are financed through this fund:

Farm ownership loans.—Made to borrowers who cannot obtain credit elsewhere to improve or purchase farms, refinance nonfarm enterprises or make additions to farms.

Farm operating loans.—Provide short-to-intermediate term production or chattel credit to farmers who cannot obtain credit elsewhere.

Emergency disaster loans.—Made to farmers in Presidentially or Secretarially designated disaster areas to restore production.

Economic emergency loans.—Make financial assistance available during the period authorized by Public Law 96–220, (authority expired September 30, 1981), in the form of loans insured or guaranteed by FmHA for bona fide farmers and ranchers who are primarily and directly engaged in agricultural production. This will enable them to continue their normal farming or ranching operations during the economic emergency which has caused a lack of agricultural credit due to national or areawide economic stress such as a general tightening of agricultural credit or an unfavorable relationship between production costs and prices received for agricultural commodities.

Soil and water conservation loans.—Made to associations, farmers, ranchers and nonoperator owners for land and water development, use and conservation.

Grazing loans.—Generally made to associations of three or more ranchers for the purchase of grazing land to permit expansion of herds.

Indian tribe land acquisition loans.—Made to qualified Indian tribes or tribal corporations to acquire land or interests in land within the tribes' reservation or Alaskan Indian community, as determined by the Secretary of the Interior.

Recreation loans.—Made to farmers and ranchers for converting all or a portion of the farms or ranches they own or operate to outdoor income-producing recreation enterprises which will supplement or supplant farm income and permit carrying on sound and successful operations.

Watershed protection and flood prevention loans.—Made to sponsors of projects approved for operation by the Soil Conservation Service. Loans are made to local organizations for installing, repairing, or improving works of improvement and water storage facilities, purchasing sites of rights-of-way, and for related costs.

Resource conservation and development loans.—Made to sponsors of projects approved for operation by the Soil Conservation Service. Loans are made to local organizations and individuals for planned conservation measures and works of improvement as specified in approved work plans.

REAL ESTATE LOANS

	Insured	Guaranteed	Total
1983 loan level	($759,100,000)	($81,000,000)	($840,100,000)
1984 budget estimate	(624,000,000)	(56,000,000)	(680,000,000)
House allowance	(684,100,000)	(56,000,000)	(740,100,000)
Committee recommendation	(657,000,000)	(56,000,000)	(713,000,000)

Included in this account are the following real estate loans to individuals: Farm ownership loans, recreation loans, and soil and water loans. Also included are irrigation and drainage loans, grazing loans, and Indian tribe land acquisition loans for associations and groups.

The Committee recommends $657,000,000 for insured real estate loans. This provides $33,000,000 more than the budget request and is $27,100,000 less than the House allowance.

The Committee recommends $56,000,000 for guaranteed real estate loans, the same as the House allowance, the budget request and $25,000,000 less than fiscal year 1983.

The Committee continues to believe that the primary emphasis of the real estate loan program should be assisting young persons getting started in farming.

Of the funds provided for real estate loans, $675,000,000 is for farm ownership loans, of which $50,000,000 is to be guaranteed; $26,000,000 is for soil and water loans, of which $6,000,000 is to be guaranteed; and $12,000,000 is for Indian land acquisition loans.

SOIL CONSERVATION LOANS

1983 loan level	($30,000,000)
1984 budget estimate	....
House allowance	(30,000,000)
Committee recommendation	(30,000,000)

Under Public Law 87–566, as amended, and other existing Departmental authorities, loans are made to local sponsoring organizations and to individuals for financing the local share of the cost of installing, repairing or improving works of improvement and water storage facilities, purchasing sites or rights-of-way and for related costs in approved resource conservation and development projects and approved watershed works of improvement and flood prevention projects.

For soil conservation loans, the Committee recommends $30,000,000, the same as the 1983 level and the House allowance. No request was made by the administration.

OPERATING LOANS

	Insured	Guaranteed	Total
1983 loan level	[1] ($1,460,000,000)	($50,000,000)	($1,510,000,000)
1984 budget estimate	(1,810,000,000)	(50,000,000)	(1,860,000,000)
House allowance	(1,810,000,000)	(100,000,000)	(1,910,000,000)
Committee recommendation	(1,810,000,000)	(100,000,000)	(1,910,000,000)

[1] Excludes $400,000,000 reallocated to this account by USDA action in April 1983.

Subtitle B of the Consolidated Farm and Rural Development Act contains the authorization for insured and guaranteed operating loans. Operating loans made by the Farmers Home Administration are accompanied by supervisory assistance in farm and financial management. Operating credit is needed by family farmers throughout the United States who are unable to obtain credit from private and cooperative sources to develop a reasonable standard of living. The use of operating loan funds for this purpose helps to provide parity of opportunity for farm operators and encourages farm families to remain in rural areas. The Rural Development Act of 1972 authorized operating loans to be made on an insured and guaranteed basis.

For operating loans for 1984, the Committee recommends a level of $1,910,000,000, including $1,810,000,000 for insured loans and $100,000,000 for guaranteed loans. This is the same as the House allowance, the 1983 level, and $50,000,000 more than the budget estimate.

As in the case of real estate loans, the Committee will expect FmHA to utilize the operating loan program to the fullest extent possible to assist young persons getting started in farming.

The Committee has deleted language included in the House bill which provided that $600,000,000 would be available for economic emergency loans upon enactment of authorizing legislation. Should this program be reauthorized, the Committee will give favorable consideration to providing for those loans should the agricultural economy warrant it.

EMERGENCY DISASTER LOANS

Emergency loans are made available in designated areas where a natural disaster has caused a temporary general need for agricultural credit which cannot be met by private, cooperative, or other responsible sources, including the Farmers Home Administration in its regular loan programs. Emergency loans are made to established eligible farmers, ranchers, and aquaculture operators and to private domestic corporations or partnerships engaged primarily in agricultural or aquacultural production. Emergency loans are made primarily for financing farm operating needs, family living expenses, and a number of closely related purposes and are not to exceed otherwise unreimbursed losses attributable to natural disasters.

The Committee has again provided language in the bill which authorizes the Secretary to make loans in an amount necessary to meet the needs resulting from natural disasters. The budget proposed capping the emergency disaster loan program at $1,540,000,000. The Committee rejects this proposal since it would place an arbitrary ceiling on the emergency program.

The Committee is concerned that the administration of the disaster loan program does not comport with current law which requires that individual farmers affected by a natural disaster have the program available to them if they have experienced qualifying losses. Current regulations allow the Secretary to deny farmers the availability of the program if there has been less than a 30-percent reduction of the normal year's dollar value of all crops countywide or if there has not been a 30-percent reduction of the normal year's dollar value of crops which constitute a single enterprise countywide due to a natural disaster. The Committee directs FmHA to revise the program regulations in order to insure that individual farmers who have experienced significant production losses due to a natural disaster are not denied access to the emergency loan program.

REIMBURSEMENT FOR INTEREST SUBSIDIES AND OTHER LOSSES

1983 appropriation	$682,074,000
1984 budget estimate	895,522,000
House allowance	895,522,000
Committee recommendation	895,522,000

The amount requested will reimburse the Agricultural Credit Insurance Fund for interest subsidies and losses incurred through September 30, 1982. Losses result primarily from writeoff of uncollectable loans and interest costs incurred because of the difference between interest rates charged to borrowers and the rate which the Government must pay for its own borrowing.

For reimbursement for interest subsidies and other losses for fiscal year 1984, the Committee recommends an appropriation of $895,522,000. This is $213,448,000 more than was provided in 1983 and the same as the budget estimate and the amount provided in the House bill.

RURAL DEVELOPMENT INSURANCE FUND

The Rural Development Insurance Fund was established on October 1, 1972, pursuant to section 309(A) of the Rural Development Act of 1972 (Public Law 92–419), which also provided for transfer of the assets and liabilities of the Agricultural Credit Insurance Fund applicable to loans for water systems and waste disposal facilities to this fund.

The fund is used to insure or guarantee loans for water systems and waste disposal facilities, development of rural business, community facilities, pollution abatement, and economic improvement in rural areas.

WATER AND SEWER FACILITY LOANS

1983 loan level	[1] ($600,000,000)
1984 budget estimate	(250,000,000)
House allowance	(375,000,000)
Committee recommendation	(270,000,000)

[1] Includes $450,000,000 provided in Public Law 98-8, enacted March 24, 1983, less $225,000,000 reallocated to farm operating loan program by subsequent action of USDA. A loan level of $375,000,000 was provided for fiscal year 1983.

Loans are made to organizations including certain Indian tribes and corporations not operated for profit, and public and quasi-public agencies, for the development, storage, treatment, purification, or distribution of water or the collection, treatment, or disposal of waste in rural areas.

For water and sewer facility loans for fiscal year 1984, the Committee recommends a level of $270,000,000. This is $20,000,000 more than the budget estimate, and $330,000,000 less than the level available in 1983 and $105,000,000 less than the the House bill.

The Committee notes that a substantial increase in funding for this program was provided in fiscal year 1983 in an effort to increase jobs in rural America and substantially reduce the backlog of water and waste disposal project proposals in the States. The level provided by the Committee approximates the traditional level of funding for this program.

INDUSTRIAL DEVELOPMENT LOANS

1983 loan level	($300,000,000)
1984 budget estimate	....
House allowance	(300,000,000)
Committee recommendation	(300,000,000)

These loans are made to public, private, or cooperative organizations organized for profit or nonprofit, to certain Indian tribes, or to individuals for the purpose of improving, developing, or financing business, industry, and employment, or improving the economic and environmental climate in rural areas. Such purposes include financing business and industrial acquisition, construction, enlargement, repair or modernization; financing the purchase and development of land, easements, rights-of-way, buildings, equipment, facilities, leases, machinery, supplies and materials; and payment of start-up costs and supplying working capital. Industrial development loans may be made in any area that is not within the outer boundary of any city having a population of 50,000 or more and its immediately adjacent urbanized and urbanizing areas with a population density of more than 100 persons per square mile. Special consideration for such loans is given to rural areas and cities having a population of 25,000 or less. Loans may be guaranteed by FmHA not to exceed 90 percent of the loss.

For guaranteed industrial development loans for fiscal year 1984, the Committee recommends a level of $300,000,000. This is the same level provided in 1983 and in the House bill. No request was made by the administration.

The Committee has continued the industrial development loan program because it believes that the program is effective at producing and saving employment opportunities in rural areas. The Committee is aware of data indicating that most farmers obtain more income from off-farm sources than from their farming operations. This is indicative of both the economic hardships faced by today's farmers, as well as the need for off-farm income sources which help young farmers to start and continue in business.

Within the funds provided for the industrial development loan program, the Committee directs that up to $75,000,000 be made available for alcohol production facility loans.

The Committee remains concerned over the impact of the payment-in-kind (PIK) program on agribusinesses. The Committee directs that every effort be made to assist those businesses adversely impacted by PIK.

COMMUNITY FACILITY LOANS

1983 loan level	($130,000,000)
1984 budget estimate	(100,000,000)
House allowance	(130,000,000)
Committee recommendation	(130,000,000)

Loans are made to organizations, including certain Indian tribes and corporations not operated for profit, and public and quasi-public agencies, to construct, enlarge, extend, or otherwise improve community facilities providing essential services to rural residents. Such facilities include those providing or supporting overall community development such as fire and rescue services, health care, transportation, traffic control, and community, social, cultural, and recreational benefits. Loans are made for facilities which primarily serve rural residents of open country and rural towns and villages of not more than 20,000 population.

For community facility loans for fiscal year 1984, the Committee recommends a level of $130,000,000. This is the same amount as provided in 1983, in the House allowance, and $30,000,000 more than the budget request.

The Farmers Home Administration, through the community facilities program, is urged to make a $3,500,000 loan for the purpose of testing and developing a solar-powered generator system for use at rural electric cooperatives. Tests have already been scheduled in Pennsylvania, Texas, Mississippi, and North Dakota. Rural electric cooperatives selected by FmHA should be located in those States and should also include small communities or residential areas within their service areas.

REIMBURSEMENT FOR INTEREST SUBSIDIES AND LOSSES

1983 appropriation	$336,217,000
1984 budget estimate	477,829,000
House allowance	477,829,000
Committee recommendation	477,829,000

This appropriation is to reimburse the Rural Development Insurance Fund for funded interest subsidies and losses incurred in fiscal years 1980 and 1981.

For reimbursement for interest subsidies and losses for the Rural Development Insurance Fund for fiscal year 1984, the Committee recommends an appropriation of $477,829,000. This is $141,612,000 more than was provided in 1983 and the same amount as in the budget request and in the House bill.

RURAL GRANT PROGRAMS

RURAL WATER AND WASTE DISPOSAL GRANTS

1983 appropriation	[1] $275,000,000
1984 budget estimate	90,000,000
House allowance	125,000,000
Committee recommendation	90,000,000

[1] Includes $150,000,000 provided in Public Law 98-8, enacted March 24, 1983. $75,000,000 was reallocated to farm operating loan program by subsequent action of USDA.

This grant program is authorized by section 306 of the Consolidated Farm and Rural Development Act. Grants are authorized to be made to associations, including nonprofit corporations, public and quasi-public agencies, and certain Indian tribes to finance specific projects for the development, storage, treatment, purification, or distribution of water or the collection, treatment or disposal of waste in rural areas.

The Committee recognizes that one of the greatest potential health hazards in rural areas is the lack of adequate, safe drinking water and inadequate sewage treatment. The Committee recommends an appropriation of $90,000,000 for rural water and waste disposal grants. This is $35,000,000 less than the House bill, the same as the budget estimate, and $185,000,000 less than provided in fiscal year 1983.

The Committee disagrees with the directive in the House report that the 1981 regulations be utilized for all water and sewer funds in fiscal year 1984.

The Committee is concerned that changes in the FmHA water and waste disposal programs have diverted financial assistance away from those rural areas with the greatest need and the least ability to pay for necessary facilities. Agency figures for fiscal year 1982 show that 66 percent of all grant funds and 77 percent of all loan funds went to communities with incomes in the highest of the three income brackets under the current three-tiered interest rate structure. One effect of this distribution of funds is to convert the water and waste disposal grant program to an interest subsidy device for what are nominally market rate loans, a result not intended by the Congress. The apparent lack of any uniform criteria used by FmHA State offices to objectively compare the relative merits of competing requests for scarce loan and grant assistance makes it even more difficult for the Committee to insure that available funds are being used to meet the highest priority needs. Therefore, the Committee directs Farmers Home to report quarterly on the percentage of loan funds provided at the various interest rates and the percentage of grant funds coupled with loan funds at the various interest rates in order to enable the Committee to evaluate whether the funds provided in the bill are serving the intended purposes of the program. FmHA should also provide additional information relevant to such an analysis, such as information on the water quality problems and income levels of the communities receiving assistance.

VERY LOW-INCOME HOUSING REPAIR GRANTS

1983 appropriation	$12,500,000
1984 budget estimate	....
House allowance	12,500,000
Committee recommendation	12,500,000

This grant program is authorized under section 504 of title V of the Housing Act of 1949, as amended. The rural housing repair grant program is carried out by making grants for very low-income persons to make necessary repairs to their homes in order to make such dwellings safe and sanitary, and remove hazards to the health of the occupants, their families, or the community. Such grants may be made to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, installing screens, repairing or providing structural supports, or making similar repairs, additions, or improvements including all preliminary and installation costs in obtaining central water and sewer service. A grant is usually in combination with a section 504 very low-income housing repair loan.

No assistance can be extended to any one individual in the form of a loan, grant, or combined loan and grant in excess of $5,000, and grant assistance is limited to persons, or families headed by persons, who are 62 years of age or older.

For very low-income housing repair grants for fiscal year 1984, the Committee recommends an appropriation of $12,500,000. This is the same amount as provided in 1983 and the same as the amount provided in the House bill, and $12,500,000 more than the budget estimate.

GRANTS FOR RURAL HOUSING FOR DOMESTIC FARM LABOR

1983 appropriation	....
1984 budget estimate	$4,393,000
House allowance	4,393,000
Committee recommendation	4,393,000

Financial assistance in the form of grants is authorized to public or private nonprofit organizations, or other eligible organizations for low-rent housing and related facilities for domestic farm labor.

Under section 516 of the Housing Act of 1949, FmHA is authorized to share with States or other political subdivisions, public or private nonprofit organizations, or nonprofit organizations of farmworkers, the cost of providing low-rent housing, basic household furnishings, and related facilities to be used by domestic farm laborers. Such housing may be for year-round or seasonal occupancy and consist of family units, apartments, or dormitory-type units, constructed in an economical manner, and not of elaborate or extravagant design or materials. Grant assistance may not exceed 90 percent of the total development cost. Applicants furnish as much of the development cost as they can afford by using their own resources, by borrowing either directly from private sources, or obtaining an insured loan under section 514 of the Housing Act. The applicant must agree to charge rentals which do not exceed amounts approved by the Secretary, maintain the housing at all times in a safe and sanitary condition, and give occupancy preference to domestic farm laborers.

The obligations incurred by the applicant as a condition of the grant continue for 50 years from the date of the grant unless sooner terminated by the Farmers Home Administration. Grant obligations are secured by a mortgage on the housing or other security. In the event of default, the Farmers Home Administration has the option to require repayment of the grant.

For grants for rural housing for domestic farm labor for fiscal year 1984, the Committee recommends $4,393,000. This is $4,393,000 more than the amount provided in 1983, and the same as the request and provided in the House bill.

The Committee notes that $8,107,000 of carryover funds will be available for expenditure in fiscal year 1984 for this program which, when combined with the amount appropriated, will allow for a $12,500,000 program level, the same as in fiscal year 1983.

MUTUAL AND SELF-HELP HOUSING GRANTS

1983 appropriation	$12,500,000
1984 budget estimate	....
House allowance	5,000,000
Committee recommendation	12,500,000

This grant program was authorized by Public Law 90-448, approved August 1, 1968. Grants are made to local organizations to promote the development of mutual or self-help housing programs under which groups of usually 6 to 10 families build their own homes by mutually exchanging labor. Funds may be used to pay the cost of construction supervisors who will work with families to guide them in the construction of their homes and for administrative expenses of the organizations providing the self-help assistance.

For mutual and self-help housing grants for fiscal year 1984, the Committee recommends an appropriation of $12,500,000. This is the same as the level provided in 1983 and $7,500,000 more than the amount provided in the House bill. No appropriation was requested by the administration.

The self-help housing program provides great benefits both to prospective homeowners and the Federal Government. A recent FmHA study of 34 grantees gives evidence that this is a cost-effective program that works. Houses constructed by the self-help method cost almost $9,200 less than contractor built homes. The average self-help technical assistance grant cost is $4,412 per house; therefore, the Federal Government saves $5,010 per house (the difference between the savings in house cost and the cost of the technical assistance grant). Furthermore, at an average mortgage rate of 3 percent, the annual interest credit savings on a section 502 loan is $938 per year. In 5 years, the interest credit savings will exceed the cost to the Government for the technical assistance grant.

The Committee noted last year that part of the reason for the improvement and expansion of the self-help housing program is the use of regional contractors, which provide management assistance to the local technical assistance organizations. In many cases these regional contractors provide technical expertise that FmHA cannot provide because of heavy workloads. The Committee directed that this element of the program be continued. The Committee has learned that the regional contractor program has not yet been fully renewed and, as a result, needed assistance is not being provided. The Committee directs FmHA to renew the regional contractor program at the earliest possible time and to continue it in fiscal year 1984.

RURAL COMMUNITY FIRE PROTECTION GRANTS

1983 appropriation	$3,250,000
1984 budget estimate	....
House allowance	3,250,000
Committee recommendation	3,250,000

This assistance was authorized by section 7 of the Cooperative Forestry Assistance Act of 1978. Grants are made to public bodies to organize, train, and equip local firefighting forces, including those of

Indian tribes or other native groups, to prevent, control, and suppress fires threatening human lives, crops, livestock, farmsteads or other improvements, pastures, orchards, wildlife, rangeland, woodland, and other resources in rural areas.

For rural community fire protection grants for fiscal year 1984, the Committee recommends an appropriation of $3,250,000. This is the same amount as provided in 1983 and in the House bill. No appropriation was requested by the administration.

COMPENSATION FOR CONSTRUCTION DEFECTS

1983 appropriation	$2,000,000
1984 budget estimate	
House allowance	2,000,000
Committee recommendation	2,000,000

Under section 509(c) of the Housing Act of 1949, as amended, the Secretary of Agriculture is authorized to pay the cost of correcting defects, paying claims arising from defects or acquiring title, for property purchased with financial assistance authorized by the act. Claims will not be paid until provisions under the builder's warranty have been fully pursued. Requests for compensation for construction defects must be made within 18 months of loan closing.

The Committee recommends $2,000,000 for construction defects. This is $2,000,000 more than the budget request and the same as the House allowance. In prior years, funds for construction defects were provided through the rural housing insurance fund.

RURAL RENTAL ASSISTANCE PAYMENTS [1]

1983 appropriation	
1984 budget estimate	$62,000,000
House allowance	49,000,000
Committee recommendation	62,000,000

[1] In fiscal year 1983, this program was funded under FmHA's rural housing insurance fund.

This program is authorized under section 521(a)(2) of the Housing Act of 1949, as amended.

The objective of the program is to reduce rents paid by low-income families living in FmHA financed rental projects and farm labor housing projects. Under this program, low-income tenants will pay 25 percent of their adjusted monthly income for rent. Payments are made to the project owner to make up the difference between the tenants' rent payments and the approved rental rates for the units.

The Committee concurs with the action of the House in providing funding for rental assistance payments for newly constructed housing units as a separate appropriation.

For rural rental assistance payments, the Committee has provided $62,000,000. This is the same as the budget request and $13,000,000 more than the amount provided in the House bill. The amount provided by the Committee will allow 6,000 new rental units to receive rental assistance.

SALARIES AND EXPENSES

	Appropriation	Transfers from loan accounts	Total
1983 appropriation	[1] $295,788,000	($6,000,000)	[1] ($301,788,000)
1984 budget estimate	318,445,000	(4,000,000)	(322,445,000)
House allowance	327,149,000	(4,000,000)	(331,149,000)
Committee recommendation	327,149,000	(4,000,000)	(331,149,000)

[1] Excludes pay supplemental of $9,791,000, and includes an increase of $6,500,000 provided in Public Law 98–8, enacted March 24, 1983.

Funds appropriated to this account are used to administer the various loan and grant programs of the Farmers Home Administration, with the exception of Emergency, Watershed, Flood Prevention, and Resource Conservation and Development loans. Administration of the programs includes the reviewing of applications, making and collecting loans, and extending technical assistance to borrowers.

In addition, other funds are made available from the Agricultural Credit Insurance Fund to service the unpredictable needs of the Emergency Program. An annual allotment is received from the Soil Conservation Service to cover the costs of administering watershed, flood prevention, and resource conservation and development loans.

For salaries and expenses for fiscal year 1984, the Committee recommends an appropriation of $327,149,000. This is $31,361,000 more than was appropriated in 1983, $8,704,000 more than the revised budget estimate, and the same as the House allowance.

The Committee continues to believe that efforts to restrict the personnel levels of FmHA are shortsighted. With a loan portfolio in excess of $50,000,000,000, adequately trained personnel to service these loans are essential.

Many FmHA borrowers are experiencing severe economic distress due to reduced commodity prices and continued high rates of interest. The Committee urges the Secretary of Agriculture to exercise the authority available to him to forego foreclosure of any outstanding FmHA loan upon a showing by a borrower that, due to circumstances beyond the borrower's control, the borrower is temporarily unable to continue making payments of principal and interest when due without unduly impairing the standard of living of the borrower. The Committee will expect FmHA to utilize all authorities available to it to assist its borrowers in staying in business. The Committee has again included a restatement of current law as it relates to loan deferrals and moratoriums in the bill in order to emphasize its support for the implementation and use of this authority. The Committee notes that although FmHA testified in 1982 that regulations would be changed to allow borrowers who receive loan deferrals to maintain the lower rates of interest on their loans, final regulations to implement this change have not yet been issued. The Committee will expect expeditious action to correct this.

In time for hearings on the fiscal year 1985 budget, the Committee will expect a report on the financial condition of all FmHA borrowers including, but not limited to, the numbers of foreclosures that have occurred, the level of delinquencies, and the number of voluntary sales, as well as what actions are being taken to assist farmers and homeowners who are experiencing severe financial stress.

The Committee concurs with the House that technical assistance to rural water systems is highly valuable to both the taxpayers and users of those systems. The Committee recommends that of the funds provided for contracts, $1,600,000 is provided for a circuit rider program to provide technical assistance to rural water systems as has been proposed by the National Rural Water Association. The increase provided will allow expansion of the circuit rider program to five additional States.

The Committee expects FmHA to administer a balanced program of farm, housing, and rural development. FmHA is directed to report to the Committee on obligations by program, on no less than a quarterly basis. FmHA shall provide explanations to the Committee when program obligation levels fall below the quarterly rate by more than 10 percent.

The Committee understands that the Farmers Home Administration intends to move the Hawaii State office from Hilo to Honolulu. The Committee disapproves of this proposal. This office was originally located outside the State capital so that it might best serve its clients, most of whom are located on the neighboring islands, not Oahu. More than 50 percent of the State's farms are located on the island of Hawaii, as are many of the housing programs served by Farmers Home. Federally owned office space is available in Hilo, and all but one of FmHA's 17 State office employees reside on the island of Hawaii. The Committee, therefore, has included bill language directing the FmHA to maintain its State office in Hilo and prohibiting the use of any appropriated funds to move the office from the island of Hawaii to the island of Oahu.

RURAL ELECTRIFICATION ADMINISTRATION

The Rural Electrification Administration (REA) was established by Executive Order 7037 on May 11, 1935, to provide loan funds to eligible borrowers for the purpose of extending central station electric service to unserved persons in rural areas. Statutory provision for the agency was made in the Rural Electrification Act of May 20, 1936, and on July 1, 1939, under Reorganization Plan II, REA became a part of the Department of Agriculture. On October 28, 1949, the purpose of REA was expanded by Public Law 423 which amended the Act to authorize loans for furnishing telephone service to rural areas.

Public Law 93–32, enacted May 11, 1973, amended the Rural Electrification Act of 1936, as amended, by establishing a "Rural Electrification and Telephone Revolving Fund" (RETRF) for the purpose of making insured loans to REA electric and telephone borrowers. Loans made under this authority bear either 2- or 5-percent interest in accordance with criteria specified in the act, and have a maturity not to exceed 35 years. The act also authorized REA to guarantee loans made by other lenders at rates and terms agreed upon between the lender and the borrower. The rural electrification and telephone revolving fund legislation contains the following statements of congressional policy:

> * * * it is hereby declared to be the policy of the Congress that adequate funds should be made available to rural electric and telephone systems through direct, insured, and guaranteed loans at interest rates which will allow them to achieve the objectives of the Rural Electrification Act of 1936, as amended; and that such rural electric and telephone systems should be encouraged and assisted to develop their resources and ability to achieve the financial strength needed to enable them to satisfy their credit needs from their own financial organizations and other sources at reasonable rates and terms consistent with the loan applicant's ability to pay and achievement of the Act's objectives.

In October 1976, Public Law 94-570 amended the act, changing the statutory criteria used in determining eligibility for the special interest rate (2-percent) insured loans. The change in criteria corrected unintended inequities resulting from Public Law 93-32, bringing the number of borrowers eligible for the special rate more in line with congressional intent and with borrowers' actual needs for loan funds at this rate.

On August 13, 1981, the Omnibus Budget Reconciliation Act, Public Law 97-35, was signed into law to further amend the RE Act. This legislation changed the RE Act by eliminating the special 2-percent interest rate on insured loans from the RETRF. It also provided that the Administrator may make insured loans at a rate less than 5 percent, but not less than 2 percent, if the borrower has experienced extreme financial hardship, or cannot provide service consistent with the objectives of the act without charging rates so high that a substantial disparity results between such rates and those charged for similar services in the same or nearby areas by other suppliers. Provisions were made in this legislation that any loan applications on hand as of July 24, 1981 would still be eligible for the special 2-percent interest rate. In fiscal year 1982, $190,000,000 of these applications were approved as 2-percent loans.

RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND

ELECTRIC LOANS

1983 loan authorization	($850,000,000)
1984 budget estimate	(500,000,000)
House allowance	(850,000,000)
Committee recommendation	(850,000,000)

TELEPHONE LOANS

1983 loan authorization	($250,000,000)
1984 budget estimate	(75,000,000)
House allowance	(250,000,000)
Committee recommendation	(250,000,000)

The Committee commends REA for maintaining stable ratios of concurrent and supplemental loans at the current levels and will expect the Agency to continue the ratios now in effect.

For insured loans to rural electric systems, the Committee recommends a floor of $850,000,000 and a ceiling of $1,100,000,000. For insured telephone loans the Committee recommends a floor of $250,000,000 and a ceiling of $325,000,000.

This action reflects the same levels as proposed by the House. The budget proposed a ceiling of $500,000,000 on electric loans and $75,000,000 for telephone loans.

The Committee also recommends the addition of bill language to establish a minimum of $3,360,000,000 and a maximum of $4,145,000,000 of total loan principal contingent liability for commitments made in the REA loan guarantee program. These figures assume a minimum guaranteed loan level of $3,235,000,000 for the electric program and a minimum guaranteed loan level of $125,000,000 for the telephone program.

It has been brought to the Committee's attention that the minimum level of guaranteed loan commitments contained in the fiscal year 1983 bill will not be achieved due to the significant slowdown in construction of electric generating plants and related bulk transmission lines, and to general economic factors in rural America. The Committee recognizes that without applications to fund, the minimum loan level cannot be achieved. The Committee does not view the fiscal year 1983 shortfall as precedent setting and will expect the minimum to be met in fiscal year 1984.

The Committee will expect REA borrowers to continue to have access to the Federal Financing Bank as a source of loan funds.

The Congress has continuously directed the REA to provide borrowers supplemental financing in accordance with applicable criteria and the ratios in effect during prior years. The Committee has been made aware of efforts to ignore this directive. Therefore, the Committee has once again provided bill language which requires the applicable criteria and ratios in effect as of July 15, 1982, to be maintained.

REIMBURSEMENT FOR LOSSES

1983 appropriation	....
1984 budget estimate	....
House allowance	$197,862,000
Committee recommendation	197,862,000

The Committee concurs with House action to reimburse the rural electrification and telephone revolving fund for the differential between interest income and interest costs. Without this reimbursement, the fund's assets will continue to be depleted and its financial integrity eroded. Therefore, the Committee recommends $197,862,000 to restore the fund to a sound financial basis. This is the same amount as provided by the House. There is no budget request for this reimbursement, nor was there any provision for such a reimbursement in 1983.

RURAL TELEPHONE BANK

1983 appropriation	($30,000,000)
1984 budget estimate	
House allowance	(30,000,000)
Committee recommendation	(30,000,000)

Public Law 92-12 amended the Rural Electrification Act to establish the Rural Telephone Bank as a supplemental source of financing for the growing capital needs of rural telephone systems. It also authorized U.S. stock purchases totaling $300,000,000 with up to $30,000,000 to be appropriated annually.

The $300,000,000 stock purchase was completed in 1981. Public Law 97-98, approved December 22, 1981, amended the act by providing for an authorization of an additional $300,000,000 in U.S. stock purchases with $30,000,000 to be appropriated annually.

For the Rural Telephone Bank, the Committee recommends an appropriation of $30,000,000, the same amount as appropriated for fiscal year 1983 and the same amount as the annual authorization for this appropriation. This is the same level as provided by the House.

RURAL COMMUNICATION DEVELOPMENT FUND

1983 appropriation	$91,000
1984 budget estimate	375,000
House allowance	375,000
Committee recommendation	375,000

The Rural Communication Development Fund, an account under the rural development insurance fund, was established pursuant to Secretary's Memorandum No. 1988, approved May 22, 1979. The memorandum transferred certain financing authorities under the Consolidated Farm and Rural Development Act (U.S.C. 1921 et seq.) from the Farmers Home Administration to the Rural Electrification Administration for the purpose of financing and administering community antennae television services or facilities.

For the rural communication development fund, the Committee recommends an appropriation of $375,000. This is the same amount provided in the budget request and in the House bill. These funds will be used to reimburse the RCDF for subsidies and losses sustained in prior years that have not been previously reimbursed.

SALARIES AND EXPENSES

1983 appropriation	[1] $28,945,000
1984 budget estimate	29,585,000
House allowance	29,585,000
Committee recommendation	29,585,000

[1] Excludes pay supplemental of $581,000.

For the salaries and expenses necessary to carry out the functions of the Rural Electrification Administration for fiscal year 1984, the Committee recommends an appropriation of $29,585,000. This is $640,000 more than the amount appropriated for fiscal year 1983, the same as the budget estimate, and the same amount as provided in the House bill.

The Committee concurs with the House earmarking of $5,000 for the translation of REA publications into foreign languages.

CONSERVATION

SOIL CONSERVATION SERVICE

The Soil Conservation Service (SCS) was established under authority of the Soil Conservation Act of 1935 (49 Stat. 163; 16 U.S.C. 590a–f). It has responsibility for developing and carrying out a national soil and water conservation program in cooperation with landowners and operators and other land users and developers, with community planning agencies and regional resource groups, and with other agencies of government—Federal, State, and local. The SCS also assists in agricultural pollution control, environmental improvement, and rural community development.

The soil and water conservation program is carried on through financial and technical help to locally organized and operated conservation districts; local sponsors of watershed protection projects and resource conservation and development projects; and consultative assistance to other individuals and groups. Approximately 3,000 conservation districts cover almost 2 billion acres in all the States, Puerto Rico, and the Virgin Islands.

In its recommendations for funding SCS activities, the Committee continues its strong support for soil and water conservation programs. These programs are vitally important to prevent further depletion of the natural resource base that is the foundation of America's agricultural success. The President's request for SCS programs reflects a reduction of $118,100,000 from the amount provided in the fiscal year 1983 appropriations bill. The Committee does not feel this reduction in funding is prudent. It is the Committee's assessment that State, local, and private interests do not have the resources or incentives to undertake the soil conservation activities that are now being carried out by the Soil Conservation Service, as well as by the Agricultural Stabilization and Conservation Service. Therefore, the Committee has recommended restoration of most of the decreases proposed in the President's budget.

The Committee has included a general provision in the bill to give SCS an exemption to the prohibition against the employment of aliens in cases where specialized expertise is not available from U.S. citizens.

CONSERVATION OPERATIONS

1983 appropriation	[1] $326,198,000
1984 budget estimate	341,313,000
House allowance	346,947,000
Committee recommendation	343,313,000

[1] Excludes pay supplemental of $9,776,000 to be derived by transfer from "Watershed and flood prevention operations."

SCS provides technical assistance through conservation districts to landowners and operators in carrying out locally adapted soil and water conservation programs. This includes technical assistance in the development of conservation plans and application of conservation treatment, the making of soil surveys and the operation of plant material centers. The Service is responsible for inventory and monitoring of soil, water, and related resource data and resource use trends essential for programing and planning at all governmental levels.

For conservation operations for fiscal year 1984, the Committee recommends an appropriation of $343,313,000. This is $17,115,000 more than was provided in 1983, $2,000,000 more than the budget estimate, and $3,634,000 less than the amount provided in the House bill.

The Committee has included an additional $2,000,000 over the budget for this item and directs the Department to use these funds to initiate the special areas conservation program which was authorized by Public Law 97–98, the Agriculture and Food Act of 1981 (16 U.S.C. 3411–3420). Although the Department has been able to make significant progress in addressing the Nation's most critical soil erosion and water conservation problems through the targeting of its ongoing technical and financial assistance programs, there are areas of the country with soil and water resource conditions that cannot be adequately addressed by the limited authorities of these ongoing targeted programs. The Committee will expect the Department to carry out the necessary program development and planning activities leading to the preparation of special area reports called for in the act, and to develop the related conservation plans on individual operating units to become the basis for cost-sharing contracts in future years. It is understood that cost-sharing funds to implement these contracts will not be needed in fiscal year 1984, and therefore, the Committee has not included funding for this purpose in this bill. The Committee will expect the mid-America special areas conservation program proposal to be given priority consideration.

The Committee concurs with the directive of the House that the Department review a proposal to establish a plant materials center at the South Central Family Farm Research Center at Booneville, Ark., and provide the Committee with a report on the feasibility of this proposal.

From funds made available to the Soil Conservation Service for conservation operations, SCS is directed to expend $450,000 for a groundwater study in 25 counties in Eastern Arkansas. The threat to groundwater sources nationwide is well documented. Arkansas faces a severe threat, and the Committee believes that this program would be important in other States as well. The Soil Conservation Service could use the information generated and the expertise gained by establishing and operating the program to enhance its knowledge of groundwater problems in several other States.

RIVER BASIN SURVEYS AND INVESTIGATIONS

1983 appropriation	[1] $16,068,000
1984 budget estimate	13,264,000
House allowance	15,619,000
Committee recommendation	15,619,000

[1] Excludes pay supplemental of $351,000 to be derived by transfer from "Watershed and flood prevention operations."

The Soil Conservation Service administers a program which involves cooperation with other Federal, State, and local agencies in order to aid in the development of coordinated water resource programs. The Service has general responsibility for administration of activities consisting of investigations and surveys of proposed small watershed projects in response to requests made by sponsoring local organizations, and assisting sponsors in the development of watershed work plans.

For River Basin Surveys and Investigations for fiscal year 1984, the Committee recommends an appropriation of $15,619,000. This is $449,000 less than was provided in 1983, $2,355,000 more than the budget estimate, and the same amount as the House allowance.

Of the funds provided for river basin surveys and investigations under Public Law 566, the Committee recommends that $250,000 be allocated for an update of the 1976 Soil Conservation Service study of the Kankakee River basin.

WATERSHED PLANNING

1983 appropriation	[1] $8,675,000
1984 budget estimate	7,715,000
House allowance	8,877,000
Committee recommendation	8,675,000

[1] Excludes pay supplemental of $202,000 to be derived by transfer from "Watershed and flood prevention operations."

The Department cooperates with the States and other agencies in planning works of improvement in small watersheds to reduce damage from floodwater, sediment, and erosion and for the conservation, development, utilization, and disposal of water, as authorized by Public Law 83–566.

The Department makes surveys of proposed small watershed projects, and work plans are prepared in cooperation with local sponsors. These plans outline the soil and water management problems in the watershed, the steps that have been or are authorized to be taken to alleviate these problems, the proposed works of improvement to be installed, the estimated benefits and costs, the cost sharing and operation and maintenance arrangements, and other facts necessary to justify Federal participation in project development.

For watershed planning for fiscal year 1984, the Committee recommends an appropriation of $8,675,000. This is the same amount provided in 1983, $960,000 more than the budget estimate, and $202,000 less than the amount provided in the House bill.

The Committee concurs with the direction of the House that the Department work in close cooperation with the U.S. Army Corps of Engineers in addressing flood and drainage problems in the Yazoo basin. The Committee will expect quarterly reports from the Department on the progress made in coordinating efforts with the Corps to develop solutions to the problems in the Yazoo basin that have recently provided severe flood damage.

WATERSHED AND FLOOD PREVENTION OPERATIONS

1983 appropriation	[1] $302,425,000
1984 budget estimate	[2] 46,593,000
House allowance	183,200,000
Committee recommendation	183,200,000

[1] Includes $107,500,000 provided in Public Law 98-8, enacted March 24, 1983.
[2] Reflects a budget amendment (−$50,000,000).

The Soil Conservation Service has general responsibility for administration of activities which include cooperation with local sponsors, State, and other public agencies in the installation of planned works of improvement to reduce erosion, floodwater, and sediment damage; conserve, develop, utilize, and dispose of water; plan and install works of improvement for flood prevention including the development of recreational facilities and the improvement of fish and wildlife habitat; and loans to local organizations to help finance the local share of the cost of carrying out planned watershed and flood prevention works of improvement as authorized by Public Law 566, Public Law 534, and section 216 of the Flood Control Act of 1950. The Farmers Home Administration administers the loan program.

For watershed and flood prevention operations for fiscal year 1984, the Committee recommends an appropriation of $183,200,000. This is $119,225,000 less than was provided in 1983, $136,607,000 over the budget estimate, and the same as the amount provided in the House bill.

The Committee recommendation includes $23,200,000 for Public Law 534 flood prevention watersheds, $10,000,000 for emergency watershed protection operations, and $150,000,000 for small watersheds authorized by Public Law 566.

To insure that these funds are expended in a manner consistent with congressional intent, the Committee concurs with the House directive that not less than 20 new construction starts under the Public Law 566 program and not less than 5 new starts under the Public Law 534 program will be initiated in fiscal year 1984.

The Committee also recommends concurrence with language in the House bill which provides that fiscal year 1984 funds are available for the rehabilitation of existing works. Funds provided in the emergency jobs bill were similarly available for rehabilitation.

The Committee continues to expect the Service to proceed to construction as rapidly as possible on the Soak Creek and Upper Mud small watershed projects. In order that these and other projects may be expedited, the Committee expects the Department to allocate and fill three additional engineering positions at the Morgantown office of the Soil Conservation Service.

RESOURCE CONSERVATION AND DEVELOPMENT

1983 appropriation	[1] $30,744,000
1984 budget estimate	....
House allowance	26,000,000
Committee recommendation	26,000,000

[1] Includes an increase of $5,000,000 provided in Public Law 98-8, enacted March 24, 1983.

The Soil Conservation Service has general responsibility for assisting local sponsoring groups accelerate planning and development of land and water resources in multiple county areas. Projects may include such measures as flood prevention; developing water resources for recreation, wildlife, agricultural, municipal, or industrial use; conservation planning and establishment on individual land units; improving recreation facilities, including historical and scenic attractions; encouraging new industries to locate in the area and to process products of the area; improving markets for crop and livestock products; upgrading and protecting the quality of the environment; and long-range planning to coordinate public efforts in the area.

Activities include investigations and surveys to help develop programs and plans of land conservation and utilization, technical services and financial assistance to sponsors, local groups, and individuals, and making loans for resource improvements and developments in approved projects. The Farmers Home Administration administers the loan program.

For the Resource Conservation and Development (RC&D) program for fiscal year 1984, the Committee recommends an appropriation of $26,000,000. This is $4,744,000 less than was provided in 1983, $26,000,000 more than the budget estimate, and the same amount as provided in the House bill.

The Committee agrees with the House on the importance of the RC&D program, and, consequently, recommends concurrence with language in the House bill providing that none of the funds in this act may be used for a phase out of the RC&D program.

The Committee disagrees with the House's targeting of up to $350,000 for a special interest program in southcentral and southeastern Oklahoma.

GREAT PLAINS CONSERVATION PROGRAM

1983 appropriation	$21,315,000
1984 budget estimate	15,521,000
House allowance	21,315,000
Committee recommendation	21,315,000

This program provides cost-sharing assistance and technical services to participating landowners or operators in the Great Plains area in the development and installation of long-term conservation plans and practices for their land. It is a voluntary program which complements other conservation programs of the Department in 518 designated counties of 10 Great Plains States. Contracts with individual landowners range from 3 to 10 years.

Program regulations provide that cost-share rates offered in any contract shall not exceed 80 percent of the cost of installing eligible practices within the designated county. The rates vary among States and practices because of differences in conservation and program needs. Cost-sharing for irrigation practices in any one contract shall not exceed $7,500. There is also a cost-sharing limitation of $25,000 for any contract.

For the Great Plains conservation program for fiscal year 1984, the Committee recommends an appropriation of $21,315,000. This is the same amount provided in 1983, $5,794,000 more than the budget estimate, and the same as the amount provided in the House bill.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

AGRICULTURAL CONSERVATION PROGRAM

1983 appropriation	$190,000,000
1984 budget estimate	56,000,000
House allowance	190,000,000
Committee recommendation	190,000,000

The primary objectives of the agricultural conservation program (ACP) are: (1) to encourage farmers and ranchers to carry out long-term conservation measures that emphasize enduring conservation benefits, (2) to achieve desirable land-use adjustments, and (3) to provide community benefits and the general improvement of the total environment through a combination of economically sound public and private investments.

The authorizing legislation allows cost sharing with farmers and ranchers on both an annual and long-term basis. The program emphasis has been on meeting some of the more pressing farm-related conservation and environmental problems in rural areas, on practices for long-range protection of the environment, and on practices that provide substantial benefits to the public at the least possible cost.

The program is administered in each county by the ASCS county committee, with review and approval by State ASCS committees and in consultation with other agencies. The committees request and receive approval for cost-sharing practices best suited to meet the needs of their area.

For the agricultural conservation program for fiscal year 1984, the Committee recommends an appropriation of $190,000,000. This is the same amount that was provided in 1983, $134,000,000 more than the budget estimate, and the same amount as provided in the House bill.

The Committee concurs with the action of the House to earmark up to $4,000,000 for the Grand Valley Salinity Control project and the salinity control work in the Uintah Basin, Utah.

The Committee again rejects the administration's reduction in funding for this account, as well as its proposal to incorporate into this account the activities of the forestry incentives program, the water bank program, and the emergency conservation program. Consideration is given by the Committee to each of these programs as separate appropriations accounts.

FORESTRY INCENTIVES PROGRAM

1983 appropriation	$12,500,000
1984 budget estimate[1]	
House allowance	12,500,000
Committee recommendation	12,500,000

[1] The fiscal year 1984 budget proposed a consolidation of the forestry incentives program with the agricultural conservation program.

This program is authorized by section 4 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103). The primary objective of cost-sharing for timber production is to increase the supply of sawtimber on nonindustrial private land.

For the forestry incentives program for fiscal year 1984, the Committee recommends an appropriation of $12,500,000. This is the same amount provided in 1983 and in the House bill, and $12,500,000 more than the budget request. The Committee rejects the administration's proposal to include this program in a consolidated agricultural conservation program in fiscal year 1984.

WATER BANK PROGRAM

1983 appropriation	$8,800,000
1984 budget estimate[1]	
House allowance	8,800,000
Committee recommendation	10,000,000

[1] The fiscal year 1984 budget proposed a consolidation of the water bank program with the agricultural conservation program.

The program is authorized by the Water Bank Act, approved December 19, 1970, and amended by Public Law 96–182, approved January 2, 1980, to preserve the wetlands of the Nation.

The Secretary of Agriculture enters into agreements with landowners and operators for the conservation of specified wetlands, and carries out the program in harmony with wetlands programs administered by the Secretary of the Interior, utilizing the technical and related services of appropriate State, Federal, and private conservation agencies to assure proper coordination.

For the water bank program for fiscal year 1984, the Committee recommends an appropriation of $10,000,000. This is $1,200,000 more than provided in 1983 and in the House bill, and $10,000,000 more than the budget estimate. The Committee intends that water bank agreement renewals continue to be funded, and that the increase provided be utilized for new agreements. The Committee rejects the administration's proposal to include this program in a consolidated agricultural conservation program in fiscal year 1984.

EMERGENCY CONSERVATION PROGRAM

1983 appropriation	
1984 budget estimate[1]	
House allowance	
Committee recommendation	$7,000,000

[1] The fiscal year 1984 budget proposed a consolidation of the emergency conservation program with the agricultural conservation program.

This appropriation provides special funds for sharing the cost—up to 80 percent—of emergency measures to deal with cases of severe damage to farm and rangelands resulting from natural disasters. The program is authorized by the Agricultural Credit Act of 1978.

Assistance is made available to treat new conservation problems which (1) if not treated will impair or endanger the land, (2) materially affect the productive capacity of the land, (3) represent damage which is unusual in character and except for wind erosion, is not the type which would recur frequently in the same area, and (4) will be so costly to rehabilitate that Federal assistance is or will be required to return the land to productive agricultural use.

For the emergency conservation program for fiscal year 1984, the Committee recommends $7,000,000. There was no appropriation in fiscal year 1983, no budget request, and no provision in the House bill. In recent years, the Department has maintained an adequate level of carryover funds to address emergency situations. However, it has come to the Committee's attention that all carryover funds have been depleted due to a large number of recent emergencies around the country. Therefore, the Committee recommends that $7,000,000 be provided to restore the depleted account.

TITLE III—DOMESTIC FOOD PROGRAMS

FOOD AND NUTRITION SERVICE

The Food and Nutrition Service was established August 8, 1969, by Secretary's Memorandum No. 1659 and Supplement 1 pursuant to the authority contained in 5 U.S.C. 301 and the Reorganization Plan No. 2 of 1953.

The Food and Nutrition Service administers food assistance programs which provide access to a more nutritious diet for persons with low incomes and encourage better eating patterns among the Nation's children. The programs are:

Food stamp.—Food stamps are issued to eligible low-income households to enable them to obtain a better diet by increasing their food purchasing power. The Food and Nutrition Service administers the program in cooperation with State welfare agencies and provides for the full cost of the food stamps themselves in addition to sharing all direct and indirect administrative costs incurred by the States on a 50–50 basis. If, however, States reduce their error rates below specified levels they are eligible to receive enhanced funding up to 60 percent. In addition, States may receive up to 75 percent for their costs incurred in developing food stamp computer systems and 75 percent for the costs of fraud investigations and prosecutions. Funds for this program are provided by direct appropriation.

Child nutrition programs.—The child nutrition programs—the national school lunch, school breakfast, summer food service, and child care food programs—serve nutritious meals to needy children and other children attending schools, child care institutions, and summer recreational programs as a means of safeguarding the health and proper physical development of the Nation's children. The Food and Nutrition Service works through State agencies, providing them with cash and commodities for use in preparing and serving meals, and administers the various child nutrition programs directly in cases where the State has chosen not to administer the programs. Funds for these programs are provided by direct appropriation and transfer from section 32.

Special milk program.—The special milk program helps schools, nonprofit child care centers, and camps that have no other federally assisted food programs serve milk to children at little or no cost. The Food and Nutrition Service provides cash subsidies to State-administered programs and directly administers the program in 19 States. Funds for this program are provided by direct appropriation.

Special supplemental food programs.—The Food and Nutrition Service administers two programs which provide supplemental foods to pregnant, postpartum, and breast-feeding women, infants, and young children—the special supplemental food program (WIC) and the commodity supplemental food program.

In the WIC program, pregnant, postpartum, and breast-feeding women and infants and children up to 5 years of age who are found to be at nutritional risk receive supplemental foods from their local health clinics. State departments of health receive cash grants from the Food and Nutrition Service for this activity. Twenty percent of the total program funds is provided to the States for State and local administrative costs.

The commodity supplemental food program provides supplemental food to a target population similar to that of the WIC program. The foods, however, are purchased directly by the Department of Agriculture and distributed to eligible women, infants, and children through State and local agencies. The Food and Nutrition Service provides cash assistance to distributing agencies to offset their operating expenses at 15 percent of the funds appropriated for commodities.

Funds for these programs are provided by direct appropriation.

Food donations programs.—The food donations programs provide nutritious agricultural commodities to eligible low-income persons residing on or near Indian reservations and in the Trust Territory of the Pacific. The Food and Nutrition Service provides distributing agencies with cash assistance to help them defray the administrative expenses incurred.

The Food and Nutrition Service also provides commodities and cash in lieu of commodities to the States for the elderly feeding program, which provides meals in senior citizens' centers and similar settings. These meals are the focal point in nutrition projects for the elderly, which promote good nutrition and reduce the isolation of old age.

Funds are provided by direct appropriation.

Nutrition assistance for Puerto Rico.—As a result of the Omnibus Reconciliation Act of 1981, the Food and Nutrition Service now provides the Commonwealth of Puerto Rico with a nutrition assistance block grant, which gives the Commonwealth broader flexibility to establish a food assistance program specifically tailored to the needs of its low-income households. Beginning July 1, 1982, the Commonwealth has been providing food assistance to low-income households in the form of cash grants, rather than food stamps.

Food program administration.—This account provides for the salaries and operating expenses of the Food and Nutrition Service. On September 30, 1982, there were 2,243 full-time permanent and 175 part-time and temporary employees in the agency. Of these, 594 employees were stationed in 118 field locations, including 24 food stamp compliance offices, 1 data processing center, 7 administrative review offices, and 86 field offices. In addition, 1,102 employees were located in seven regional offices and 722 in Washington headquarters.

CHILD NUTRITION PROGRAMS

	Appropriation	Transfer from sec. 32	Total
1983 appropriation	$896,324,000	($2,281,676,000)	($3,178,000,000)
1984 budget estimate	700,919,000	(2,307,295,000)	[1] (3,008,214,000)
House allowance	705,919,000	(2,307,295,000)	(3,013,214,000)
Committee recommendation	705,919,000	(2,307,295,000)	(3,013,214,000)

[1] Fiscal year 1984 estimate includes $76,350,000 requested in Labor/HHS bill.

The child nutrition appropriation of the Food and Nutrition Service funds the activities authorized by the National School Lunch Act, as amended, and the Child Nutrition Act of 1966, as amended.

These involve the following child nutrition programs:

1. Cash payments to States.—The programs are operated under an agreement entered into by the State agencies and the Department. Funds are advanced quarterly under letters of credit to State agencies for use in reimbursing participating schools and child care institutions. Sponsors make application to the State agencies, and if accepted, are reimbursed on a per meal basis in accordance with the terms of their agreement and rates prescribed by law.

(a) School lunch program.—Assistance is provided to the States for service of lunches to all school children, regardless of family income. States must match some of the Federal cash grant from sources within the State.

(b) Special assistance.—Additional assistance is provided to the States for serving lunches free or at a reduced price to needy children.

(c) School breakfast program.—Federal reimbursement to the States is based on the number of breakfasts served free, at a reduced price, or to paying children. Certain schools, designated as especially needy, receive higher rates of reimbursement.

(d) State administrative expenses.—The funds may be used for State employee salaries, benefits, support services, and office equipment.

(e) Summer food service program.—Meals served free to children in poor areas during the summer months are supported on a performance basis by Federal cash subsidies to State agencies. Local administrative expenses are reimbursed at negotiated rates, and State administrative expenses are supported with a grant of percentage of funds distributed to the State in the preceding fiscal year.

(f) Child care food program.—Preschool children receive year-round food assistance in child care centers under this program. Food service in family day care homes and Headstart centers is subsidized. The program reimburses State agencies for breakfasts, lunches, suppers, and meal supplements served at regular, reduced, and free prices.

2. Commodity procurement.—The program provides commodities to schools for the lunch and breakfast programs, and to institutions in the child care and summer feeding programs. Commodities are also acquired under programs that strengthen markets, income, and supply (section 32 funds).

3. Nutrition studies and education.—

(a) Nutrition studies and surveys—In fiscal year 1984, the funds appropriated for this purpose will be used for various studies, including evaluation of school nutrition programs; study of management practices in the commodity donation program; and development of an agricultural impact model to assess the agricultural impact of FNS programs.

(b) Nutrition education and training.—Public Law 95-166 instituted a program of grants to the States for nutrition education in schools. In fiscal year 1984, $5,000,000 will be made available to the States for nutrition education.

For the child nutrition programs for fiscal year 1984, the Committee recommends an appropriation of $705,919,000 plus transfers from section 32 of $2,307,295,000 for a total program of $3,013,214,000. This is $164,786,000 more than the fiscal year 1983 program level, $5,000,000 more than the budget estimate and the same level provided by the House.

The Committee notes that the budget request was predicated on the enactment of major legislative revisions in several of the child nutrition programs which have not been acted upon by the Congress.

Therefore, the Committee has accepted the House action which makes the funds provided available for the period October 1, 1983, through August 15, 1984, and will allow these programs to continue to operate under current law.

Included in this bill is $5,000,000 to continue the nutrition education and training program (NET) in fiscal year 1984. This program is the first nationwide effort to provide nutrition education in the school system. Recent evaluations have shown it effective in improving students' knowledge of nutrition and have demonstrated reduced plate waste amongst students involved in the program. This latter finding alone is adequate justification for continuation of the program. The Committee has also included bill language providing a minimum NET grant of $50,000 for each State in cases where funds available for the program require a ratable reduction in the grants.

The Committee has again recommended a bill provision that would require school food service authorities to submit final food service claims to the States within 60 days following the claim month. It would also require States to submit final operations reports to the Department of Agriculture within 90 days following the claim month. The Secretary of Agriculture would have discretion to grant exceptions to these deadlines for individual school food authorities. This will result in the provision of more timely final program data, thereby improving fiscal accountability at the local, State, and Federal levels for the funds appropriated for child nutrition programs. This proposal would not affect outlays.

The Committee has recommended bill language which requires that, within available funds, the Department conduct a 2-year school lunch pilot project study by distributing all cash-in-lieu of commodities and all letters of credit-in-lieu of commodities.

A similar study had been required pursuant to the Fiscal Year 1981 Agriculture Appropriations Act and the Fiscal Year 1982 Supplemental Appropriations Act, and the Department had begun this study as directed by Congress for the first 4 months of the 1982--83 school year. In January of this year, however, the Department inexcusably altered the study by terminating its distribution of bonus cash and bonus letters of credit-in-lieu of bonus commodities, thus adversely skewing the study results as originally directed by the Congress.

The Committee's bill language requires all cash and all letters of credit-in-lieu of all commodities—which includes bonus cash and bonus letters of credit-in-lieu of bonus commodities—so that the results of the study will be entirely valid. The Committee expects the Department to conduct this study using 112 school districts taking part in the previous study and directs that this new study be conducted during the 1983–84 and 1984–85 school years. Rather than submit its report of the study by December 15, 1984, as originally required, the Committee further expects the Department to submit its full report to Congress no later than December 15, 1985.

SPECIAL MILK PROGRAM

1983 appropriation	$20,100,000
1984 budget estimate	[1] 11,720,000
House allowance	11,920,000
Committee recommendation	11,920,000

[1] This amount, in addition to an $8,480,000 carryover from fiscal year 1983 brings the total program to $20,200,000.

The special milk program was originally designed to encourage the consumption of fluid whole milk by children in nonprofit schools of high school grade or under, summer camps, and similar institutions. The authority for the program is section 3 of the Child Nutrition Act of 1966.

The Omnibus Budget Reconciliation Act of 1981 limited participation in the special milk program to schools which do not participate in a meal service program authorized under the National School Lunch Act or the Child Nutrition Act of 1966.

For the special milk program for fiscal year 1984, the Committee has, therefore, provided $11,920,000 to fully fund the program in those institutions which remain eligible. This is $8,180,000 less than the amount provided in 1983, $200,000 more than the budget estimate, and the same as the House allowance. The appropriation of $11,920,000 combined with $8,480,000 of carryover funds from fiscal year 1983 will allow for a total program of $20,400,000 for fiscal year 1984. The Committee has declined to include proposed bill language requiring the postponement of the adjustment in the reimbursement rate for 6 months. Therefore, the Committee has provided $200,000 above the budget request in order to allow the program to continue to operate under current law.

FEEDING PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

1983 appropriation	[1] $1,160,000,000
1984 budget estimate	1,060,000,000
House allowance	1,060,000,000
Committee recommendation	1,060,000,000

[1] Includes $100,000,000 provided in Public Law 98-8.

The special supplemental food program (women, infants and children—WIC) is authorized by section 17 of the Child Nutrition Act of 1966, as amended. The program makes funds available to local health clinics through State departments of health and to Indian tribes to provide supplemental foods to low-income pregnant and lactating women, infants and children up to 5 years of age. The participants must be determined by medical or nutritional professionals to be at nutritional risk due to low income and inadequate nutrition.

For the special supplemental food programs for fiscal year 1984, the Committee recommends an appropriation of $1,060,000,000. This is $100,000,000 less than was provided in 1983, and the same as the budget estimate and the amount provided in the House bill.

The Committee believes that the WIC program may be the most effective nutrition assistance program administered by the Department. Recent studies of the WIC program have found a significant correlation between program participation and a reduction in the incidence of low birth weight infants. Other studies indicate that children entering the WIC program with a low-nutritional status are markedly improved by the program. The WIC program's impact on infant mortality, chronic ill health, birth defects, and subnormal development averts major medical expenditures and reduces outlays in programs such as medicaid, SSI for disabled, and special education.

The Committee has provided $1,060,000,000 for the WIC program for the period from October 1, 1983 through July 10, 1984. The bill reported by the Committee also requires that these funds be expended in a manner that insures that WIC participation does not fall below 2.8 million persons during this period.

By providing $1,060,000,000 for 9 and one-third months, the Committee is funding WIC at an annual rate of $1,360,000,000. This is the level the Congressional Budget Office has estimated as being necessary to sustain a WIC caseload of 2.8 million persons.

The Committee notes that the full $1,060,000,000 is intended for use in the October 1–July 10 period. Any action by the Secretary—or by State agency grantees of these funds—to reduce participation below 2.8 million persons and to spread these funds over a period longer than 9 and one-third months would be in direct violation of this legislation and of the Committee's intent. The Committee fully intends to provide supplemental funding at a later date to support the WIC caseload during the period from July 10 to September 30.

Under this legislation, the Secretary would allocate to States $340,700,000 (minus any funds withheld for studies and evaluations) on October 1 for use during the first quarter of fiscal year 1984, and the appropriate level for each quarter thereafter necessary to maintain a participation level of 2.8 million persons.

As in the past, the Secretary is required to allocate—in addition to the $1,060,000,000 provided under this bill—any unspent funds carried over from fiscal year 1983. These funds are to be recovered and redistributed as expeditiously as possible. The Secretary is also directed to reallocate fiscal year 1984 funds periodically during fiscal year 1984 so that the funds appropriated for fiscal year 1984 can be fully utilized during that year.

COMMODITY SUPPLEMENTAL FOOD PROGRAM (CSFP)

1983 appropriation	$32,600,000
1984 budget estimate	32,600,000
House allowance	40,150,000
Committee recommendation	40,150,000

The commodity supplemental food program (CSFP) provides supplemental food to infants and children up to age 6, and to pregnant, postpartum and breast-feeding women who are at nutritional risk and with low incomes who reside in approved project areas. In addition, this program is operating pilot commodity distribution projects directed at low-income elderly persons.

For the commodity supplemental food program, the Committee recommends an appropriation of $40,150,000, an increase of $7,550,000 above the amount appropriated for fiscal year 1983 and the budget request, and is the same level provided by the House.

In concurring with the level provided by the House, the Committee likewise concurs with the directive that $1,350,000 be utilized for the operation of senior citizen commodity supplemental pilot projects in Detroit, Des Moines, and New Orleans.

FOOD STAMP PROGRAM

1983 appropriation	[1] $10,815,657,000
1984 budget estimate	10,916,705,000
House allowance	10,916,705,000
Committee recommendation	10,916,705,000

[1] Excludes supplemental of $1,189,484,000.

The food stamp program, which is authorized through September 30, 1985, by the Food Stamp Amendments of 1982, helps individuals and families with low incomes to obtain a more nutritious diet. Eligible participants receive food stamp allotments based on their household size and net income after provision has been made for certain deductions. The food stamps increase the food purchasing power of eligible households and thus enable them to attain a better diet than would have been possible without the assistance of the food stamp program.

The food stamp program is currently in operation in all 50 States, the District of Columbia, the Virgin Islands, and Guam. Participating households receive food stamps whose value is determined by household size and income. The cost of the coupons is paid by the Federal Government and is called bonus costs. As required by law, the food stamp allotments for the various household sizes are periodically revised to reflect changes in the cost of the thrifty food plan. The last revision was made on October 1, 1982.

The State social service agencies are responsible for certifying eligible households and issuing the food stamps. Authorized grocery stores accept the stamps as payment for food purchases and forward them to commercial banks for cash or credit. The stamps flow through the banking system to the Federal Reserve Bank for redemption out of a special account maintained by the U.S. Treasury Department.

In fiscal year 1983, an average of 21,950,000 persons are expected to participate in the program monthly and receive bonus coupons worth an average of $42.67 each month.

The Food Stamp Act Amendments of 1982 made significant changes in the food stamp program. The amendments became law on September 8, 1982, with the approval of Public Law 97–253, the Omnibus Budget Reconciliation Act of 1982. These amendments are intended to restrain the growth of program costs, improve the targeting of benefits, strengthen program accountability, and reduce errors. These include:

Thrifty food plan.—Future adjustments to the thrifty food plan are scheduled for October 1, 1983, and October 1, 1984, and will use June 30 data for the same year for the cost of the four-person plan reduced by 1 percent. On October 1, 1985, and each subsequent October, the unreduced cost of the plan, based on the same year's June 30 data, will be used.

Household definition.—Family members who live together and who are neither elderly nor disabled are considered one economic unit. Disabled or infirm elderly persons and their spouses may be considered separate households even if they live with others, providing that the income of the other household members does not exceed 165 percent of the poverty guidelines.

Rounding.—Households' allotments and adjustments to the thrifty food plan, standard deduction, and the cap on the dependent care/excess shelter expense deduction are rounded down to the nearest lower $1. The unrounded cost of the four-person thrifty food plan is now used to compute the plan for all other household sizes.

Income eligibility.—Households with no elderly or disabled members must meet both a 100-percent of poverty net income test and a 130-percent of poverty gross income test.

Adjustments of deductions.—Adjustments of the standard deduction and the cap on the dependent care/excess shelter expense deduction are delayed until October 1, 1983.

Standard utility allowances.—The optional standard utility allowance can only be used if the household incurs heating or cooling costs. Households cannot receive the full standard utility allowance if they are only billed for excess or shared costs.

Monthly reporting.—Exempt from monthly reporting are households in which the adult members are elderly or disabled and have no earned income. Also exempt are any categories of households so designated by the Secretary.

Disabled veterans and survivors.—The definition of disabled is expanded to include disabled veterans and their surviving disabled spouses and children, thus allowing them to use the net income test and medical deductions.

Work requirements.—The disqualification period for households whose head voluntarily quits a job has been increased from 60 to 90 days.

Initial allotments.—First-month allotments of less than $10 are discontinued. Benefits following a break of any length in certification are now prorated.

Expedited service.—Expedited service is now limited to households with less than $150 in monthly gross income, or destitute migrant or seasonal farmworkers with no more than $100 in liquid resources. Expedited service is redefined as providing food stamp benefits within 5 days from the date of application, and the law specifically calls for the verification of income and liquid assets during that time period, to the extent possible.

Error rate reduction system.—The three-tiered incentive system is now replaced by 60-percent Federal funding of administrative costs for State agencies with error rates below 5 percent and a reasonable rate of invalid decisions. Any State agency's administrative funding may now be reduced if its error rate for overissuances and payments to ineligible households exceeds 9 percent in fiscal year 1983, 7 percent in fiscal year 1984, or 5 percent in fiscal year 1985 or any succeeding fiscal year. Under the sanctions, administrative funding would be reduced 5 percent for each 1 to 3 percent that its error rate exceeds the goal. For each 1 percent or fraction above 3 percent that a State agency's error rate exceeds its goal, funding would be reduced 10 percent. State agencies may avoid sanctions in the first 2 years by making satisfactory progress toward a set goal. The Secretary may find good cause for a State agency's failure to meet its goal and waive the sanction.

Community work experience program.—The workfare obligation is now increased to 30 hours a week and WIN participants are no longer automatically exempt. State agencies may share in the savings from job placements.

Monthly reporting/retrospective budgeting (MRRB).—The waiver authority for those required to report under MRRB is expanded to allow for increased compatability with AFDC.

Disregard of cost-of-living adjustment.—Disregard COLA increases in social security and supplemental security income until October 1 of each year.

For the food stamp program, the Committee recommends an appropriation of $10,916,705,000. This is $101,048,000 more than was provided in 1983, and the same as the budget estimate and the amount provided in the House bill.

The Committee notes that the budget request was predicated on substantial legislative changes in the food stamp program. These legislative changes have yet to be enacted into law and the Committee believes it would be inappropriate for it to make the legislative changes proposed. Therefore, the Committee recommended funding level is made available for the period October 1, 1983 through September 6, 1984. This should be adequate to allow the program to continue at current benefit levels and under current law for that period of time. As in the past, the

Committee directs that no action be taken by the administration to reduce benefit levels in accordance with section 18(b) of the Food Stamp Act without the Congress being given ample opportunity to consider required supplemental funding.

The Committee is concerned about reports of growing problems of hunger in cities and other areas and by reports of large increases in the number of persons seeking aid at soup kitchens and food pantries. Recent reports indicate that many of those seeking aid are persons whose food stamps are running out before the end of the month. The Committee directs the Secretary not to make changes in the procedures for calculating household food stamp allotments that would reduce the amount of food stamps that eligible households are provided.

Should the proposed legislative changes not be enacted, the Committee will expect the administration to submit a supplemental request for the funding level necessary to carry out the program for the full fiscal year.

Of the moneys made available for research, evaluation, and demonstration projects in fiscal year 1984, the Committee directs FNS to conduct at least one alternative food stamp issuance project that utilizes the "intelligent card" concept. The demonstration project or projects will use as a replacement for food coupons, intelligent cards consisting of programmable micro-circuit chips embedded in layers of plastic, similar to the standard plastic credit card. The demonstration project or projects will demonstrate the feasibility of off-line computer applications for the efficient and secure delivery of food benefits to low-income households.

The demonstration project or projects will be conducted in a State or States that have demonstrated a high degree of proficiency in the application of automatic data processing systems in delivering public assistance benefits. Such a State or States will have expressed a willingness to conduct such a demonstration project insuring food benefits are provided to eligible individuals throughout the demonstration.

The Committee has included bill language to permit State-approved alcohol and drug treatment programs operated by community mental health centers to be eligible to receive and redeem food coupons on behalf of their eligible residents.

The Food Stamp Act of 1977, as amended, requires the Department of Agriculture to deny food stamp benefits to otherwise eligible residents of alcohol and drug abuse treatment programs in certain States, because the sponsors of such programs are considered to be "public" agencies rather than "private, nonprofit" organizations as specified in the act.

This prohibition has created an unfortunate discrimination against those States which have chosen to designate regional commissions, which are considered public agencies, to operate alcohol and drug treatment programs through community mental health centers. These health centers, supervised by the regional commissions appointed by local governments, provide exactly the same types of services and are funded in the same ways as the "private, nonprofit" agencies which are approved to receive food stamps.

NUTRITION ASSISTANCE FOR PUERTO RICO

1983 appropriation	$825,000,000
1984 budget estimate	825,000,000
House allowance	825,000,000
Committee recommendation	825,000,000

The Omnibus Budget Reconciliation Act of 1981 (Public Law 97–35) authorized a block grant for nutrition assistance to Puerto Rico which will give the Commonwealth broad flexibility to establish a food assistance program that is specifically tailored to the needs of its low-income households.

The Omnibus Reconciliation Act of 1982 specified that the block grant to Puerto Rico could only be used to finance expenditures for "noncash" food assistance provided to needy persons. Therefore, in order that Puerto Rico can maintain the same type of program it is carrying out in fiscal year 1983, the Committee has recommended bill language which would allow Puerto Rico to use the block grant for cash, as well as noncash assistance.

For nutrition assistance to Puerto Rico, the Committee recommends an appropriation of $825,000,000, the same amount appropriated for fiscal year 1983, the full amount of the budget request, and the same as the amount provided by the House.

FOOD DONATIONS PROGRAMS

1983 appropriation	$156,266,000
1984 budget estimate	[1] 150,061,000
House allowance	166,061,000
Committee recommendation	169,061,000

[1] Fiscal year 1984 estimate for elderly feeding program ($100,000,000) requested in Labor/HHS bill.

The Agriculture and Consumer Protection Act of 1973, as amended (7 U.S.C. 612c (note)) provides for a directly funded food distribution program for needy persons. This program attempts to alleviate hunger and malnutrition in low-income households by providing nutritious agricultural commodities to eligible persons. This program also funds commodity support for elderly feeding programs under title III of the Older Americans Act of 1956. Donated foods are used in meals served in the senior citizens' centers or similar settings. States may elect cash in lieu of commodities.

For the food donations programs for fiscal year 1984, the Committee recommends an appropriation of $169,061,000. This is $12,795,000 more than was provided in 1983, $19,000,000 more than in the budget estimate, and $3,000,000 more than the amount provided in the House bill.

The budget request proposed the transfer of the elderly feeding program to the Department of Health and Human Services. The Committee concurs with the House in rejecting this proposal. The Committee recommendation includes $119,000,000 for the elderly feeding program and $50,061,000 for the needy family program which will fully fund current services.

FOOD PROGRAM ADMINISTRATION

1983 appropriation	[1] $82,146,000
1984 budget estimate	80,387,000
House allowance	81,352,000
Committee recommendation	81,352,000

[1] Excludes pay supplemental of $313,000.

The appropriation provides for the Federal operating expenses of the Food and Nutrition Service related to the administration of the child nutrition programs, special milk program, special supplemental food program (WIC), food stamp program, and food donations program appropriations.

For food program administration for fiscal year 1984, the Committee recommends an appropriation of $81,352,000. This is $794,000 less than was provided in 1983, $965,000 more than the budget estimate, and the same as the amount provided in the House bill.

The budget request assumed legislative action to replace the child care food, school breakfast, and summer food programs with a general nutrition assistance block grant. Since it is now clear that action will not be taken on this legislative proposal, the Committee has restored the funds necessary to continue administration of these programs.

HUMAN NUTRITION INFORMATION SERVICE

1983 appropriation	[1] $8,096,000
1984 budget estimate	6,564,000
House allowance	6.564,000
Committee recommendation	6,564,000

[1] Excludes pay supplemental of $56,000.

The Human Nutrition Information Service (HNIS) was established October 1, 1981, by the Secretary's memorandum No. 1000–1 issued pursuant to Reorganization Plan No. 2 of 1953 (7 U.S.C. 2201). The functions of this agency were formerly carried out in the Agricultural Research Service and the National Agricultural Library. HNIS activities fall into two broad categories: Research, analysis, and technical assistance and information collection and dissemination.

Research, analysis, and technical assistance is concerned with the conduct and interpretation of applied research in human nutrition to improve professional and public understanding of the nutritional adequacy of diets and food supplies as well as the nutritive value of food and to develop knowledge needed to improve the nutritional quality of diets, thereby improving the general health of the American public.

Information collection and dissemination is concerned with the collecting, disseminating, and consulting on technical, educational, and nonprint material and information on food use, food management, and human nutrition problems.

For the Human Nutrition Information Service for fiscal year 1984, the Committee recommends $6,564,000. This is the same as the budget estimate and the same amount as provided in the House bill. The decreased funding is made possible due to completion of contract work in fiscal year 1983 for revision of the nutrient data bank.

TITLE IV—INTERNATIONAL PROGRAMS

FOREIGN AGRICULTURAL SERVICE

1983 appropriation	[1] $74,454,000
1984 budget estimate	85,217,000
House allowance	83,717,000
Committee recommendation	85,217,000

[1] Excludes pay supplemental of $605,000.

The Foreign Agricultural Service was established on March 10, 1953, by Secretary's Memorandum No. 1320, supplement 1. Public Law 690, approved August 28, 1954, transferred the agricultural attachés from the Department of State to the Foreign Agricultural Service. In Secretary's Memorandum No. 2001, dated November 27, 1979, the Secretary assigned to the Service, by transfer, the Office of the General Sales Manager which has responsibility for the agricultural commodity export programs and risk assurance programs.

The agency performs the following kinds of service functions:

—It maintains a worldwide agricultural intelligence and reporting service to provide U.S. farmers and traders with information on world agricultural production and trade that they can use to adjust to changes in world demand for U.S. agricultural products. This is done through a continuous program of reporting by 74 posts located throughout the world covering some 112 countries.

—The Foreign Agricultural Service analyzes agricultural information essential to the assessment of foreign supply and demand conditions in order to provide estimates of the current situation and to forecast the export potential for specific U.S. agricultural commodities. Published economic data about commodities are combined with attaché reports and subjected to analysis through advanced econometric techniques to generate these estimates.

In addition, the Service is now using advanced techniques for identifying, delineating, and assessing the impact of events which may affect the condition and expected production of foreign crops of economic importance to the United States. The crop condition activity relies heavily on computer-aided analysis of satellite, meteorological, agricultural, and related data.

—The Service develops foreign markets for U.S. farm products through effective market expansion activities. It provides services to the U.S. and foreign agricultural trade sectors that are necessary to establish, build, and maintain overseas markets for U.S. agricultural products. The Agricultural Trade Act of 1978 includes authority to establish up to 25 agricultural trade offices. Currently, 10 such offices are in operation at key foreign trading centers to assist U.S. exporters, trade groups, and State export marketing officials in trade promotion.

—The Service initiates, directs, and coordinates the Department's formulation of trade policies and programs with the goal of maintaining and expanding world markets for U.S. agricultural products. It monitors international compliance with bilateral and multilateral trade agreements. It identifies restrictive tariff and trade practices which act as barriers to the import of U.S. agricultural commodities; then supports negotiations to remove them. It acts to counter and eliminate unfair trade practices by other countries that hinder U.S. agricultural exports to third markets.

—The Service formulates policies and administers agricultural commodity export programs including: Public Law 480 which facilitates the sale of agricultural commodities on a long-term credit basis and the donation of agricultural commodities to foreign governments, intergovernmental, and voluntary agencies and the world food program; CCC export credit guarantee program; CCC short-term direct credit program; section 416 overseas dairy donations program; and export programs authorized by the Commodity Credit Corporation Charter Act (barter, sales from CCC-owned stocks, and export payments). In addition, the Service administers programs for receiving, compiling, and publishing data on export sales of specified agricultural commodities.

For the Foreign Agricultural Service for fiscal year 1984, the Committee recommends an appropriation of $85,217,000. This is $10,763,000 more than was provided in 1983, the same as the budget estimate, and $1,500,000 more than the amount provided in the House bill. The House bill provides $1,500,000 less than the budget request on the assumption that the strength of the U.S. dollar overseas will increase FAS' purchasing power. However, the Committee is concerned that a sudden downturn in the value of the dollar overseas and the uncertainty of the world economy in general may cause FAS to have inadequate funds at some point in the fiscal year if this decrease is approved. Therefore, the Committee restores the account to the full amount of the President's request.

The Committee continues to be impressed with FAS activity in the areas of export promotion and market development. FAS agricultural counselors and trade officers are representing U.S. agricultural interests abroad in an exemplary manner. The Committee notes with pleasure that a recent Senate delegation to the People's Republic of China reported outstanding performance by the Foreign Agricultural Service, as well as by private U.S. cooperators, in promoting trade between the United States and China. The Committee applauds the efforts of FAS to develop foreign markets for U.S. commodities, and encourages continued efforts to make market development a top priority.

GENERAL SALES MANAGER

(ALLOTMENT FROM COMMODITY CREDIT CORPORATION)

1983 allotment	($5,599,000)
1984 budget estimate	(5,904,000)
House allowance	(5,904,000)
Committee recommendation	(5,904,000)

The General Sales Manager has responsibility for formulating policies and conducting programs for Public Law 480, for commercial export credit sales, for noncommercial risk assurance, for standby programs for barter, export sales of most CCC-owned commodities, export payments and other programs as assigned to encourage or cause the export of U.S. agricultural commodities, and for monitoring of and publishing data on export sales by private U.S. exporters.

For the General Sales Manager, the Committee recommends a transfer of $5,904,000 from Commodity Credit Corporation funds, an increase of $305,000 over the amount available for fiscal year 1983. This is the same level contained in the House bill and in the budget estimate.

PUBLIC LAW 480

1983 appropriation	$1,028,000,000
1984 budget estimate	1,052,000,000
House allowance	1,052,000,000
Committee recommendation	1,052,000,000

Facilities and funds of the Commodity Credit Corporation are, by law, used in carrying out programs for exporting agricultural commodities. The law also authorizes appropriations to be made to cover the costs of such programs. When funds become available, advances are made to the Corporation for estimated costs. If the amounts appropriated are greater than actual needs, the excess is used to reduce future appropriation requests. Because of these various funding authorities, actual program levels vary from the amounts provided in the appropriations bill.

The following activities are currently being carried out under the Agricultural Trade Development and Assistance Act of 1954, Public Law 480, 83d Congress, as amended:

1. Financing the sale of agricultural commodities for convertible foreign currencies and for dollars on credit terms (titles I and III) (7 U.S.C. 1701–1715, 1727–1727f).—Title I of the legislation authorizes sales for convertible foreign currencies and for dollars on credit terms, and for financing commodities exported under title III food for development programs. Sales for dollars or convertible foreign currencies may be made with foreign governments or United States and foreign private trade entities. Credit terms as favorable to the United States as the economy of the foreign country will permit but not less than for development loans made under section 201 of the Foreign Assistance Act of 1961, as amended, are allowed under the legislation.

2. Commodities supplied in connection with dispositions abroad (Title II) (7 U.S.C. 1721–1726).—Commodities are supplied without cost to friendly nations and friendly peoples in times of famine or other emergency relief needs, to combat malnutrition, and to promote economic and community development in underdeveloped countries. The Corporation pays ocean freight on shipments under this title, and may also pay overland transportation costs to a landlocked country. Each year, up to $7,500,000 of foreign currencies accruing under title I may be purchased from this appropriation to meet costs of self-help activities (other than personnel and administrative) of cooperating groups.

For Public Law 480 for fiscal year 1984, the Committee recommends an appropriation of $1,052,000,000. This is $24,000,000 more than was provided in 1983 and the same as the budget estimate and the House bill.

The Committee action reflects an appropriation of $402,000,000 for titles I and III and $650,000,000 for title II. This is $24,000,000 more than was provided in 1983 for titles I and III, and the same as the budget estimate and the House bill.

Last year, this Committee noted that in accordance with the transfer authority of section 403(c) of Public Law 480, funds appropriated for title II to meet pressing humanitarian and development needs had been diverted to the title I concessional sales program. While the Committee believes the transfer authority provided under 403(c) can be and has been appropriately used in the past, the Committee believes cost considerations alone are not sufficient justification for end-of-year transfers to title I. The Committee may consider restricting section 403(c) provisions if such abuse persists. It is this Committee's recommendation that the administration make full use of funds appropriated for title II in a more timely and expeditious manner, but that should end-of-year funds be available, they be carried over to the following fiscal year in accordance with the general provisions of the law (section 608 of Public Law 97–370).

The Committee recommended last year that only minimal amounts of title II commodities be set aside for unforeseen emergency uses. The past practice of maintaining large uncommitted balances has, ironically, tended to create end-of-year surpluses despite requests for additional title II commodities. The Committee believes that section 302(c) of the Food Security Wheat Reserve Act of 1980, which authorizes for use under title II the release of up to 300,000 metric tons of wheat, without regard to the domestic supply situation to provide urgent humanitarian relief, provides an alternative to holding a large proportion of title II commodities in escrow. The Committee believes that no more than 250,000 metric tons should be held in reserve for emergency situations and that the International Wheat Reserve Act authority should be used if emergency needs exceed the reserve level specified by the Committee.

The Committee also recommended last year that information on commodity prices be made known in a routine and timely manner to private voluntary organizations and USAID mission. The Committee, likewise, recommended that operating reserves for ongoing title II programs be increased to at least 15 percent in order to prevent program disruptions and provide some scope for legitimate program expansion.

The Committee reiterates that it considers the provision of timely and accurate information on commodity prices and availability to the field to be a high priority. Such information directly affects the annual budget submissions and annual estimate of commodity requirements private voluntary organizations and USAID missions submit. Under section 403(b) the Secretary of Agriculture has authority to establish lower commodity prices for any title II commodity. The Committee recommends that consideration be given to using 403(b) beyond nonfat dry milk to provide other commodities additional to the 1.7 million metric tons mandated minimum or to furnish greater volumes of relatively expensive or value-added commodities in high demand.

The Committee appreciates that in keeping with our recommendation of last year for an increase in operating reserve levels for regular title II feeding programs that a modest increase for specific countries was approved. We acknowledge this improvement, but continue to believe the restoration of 15-percent operating reserve levels of previous years is imperative to guarantee continuity in feeding programs in the event of shipping delays, to provide an added element of food security, and to provide some scope for legitimate program expansion.

OFFICE OF INTERNATIONAL COOPERATION AND DEVELOPMENT

1983 appropriation	[1] $3,578,000
1984 budget estimate	4,016,000
House allowance	3,516,000
Committee recommendation	6,016,000

[1] Excludes a proposed pay supplemental of $45,000 and a program supplemental of $500,000 for the Caribbean Basin Initiative.

The Office of International Cooperation and Development was established in May, 1978, and is responsible for coordinating, planning and directing the Department's programs in international development and technical cooperation in food and agriculture. The organization also manages international research activities formerly administered by the Science and Education Administration. This includes coordination of bilateral research.

The staff utilizes resources of Department of Agriculture agencies, and maintains close relationships with the Agency for International Development, other Government agencies, land-grant universities, and international organizations. Activities include technical assistance to developing countries, the arrangement of training of international participants in the United States and overseas, and the implementation of the development aspects of food assistance programs. Services provided are also financed by reimbursements of funds from AID, other institutions, and contracting nations.

For the Office of International Cooperation and Development for fiscal year 1984, the Committee recommends an appropriation of $6,016,000. This is $2,438,000 more than was provided in 1983, $2,000,000 more than the budget estimate, and $2,500,000 more than the amount provided in the House bill. The Committee has restored $500,000 for agricultural modernization in the Caribbean.

AGRICULTURAL SCHOLARSHIPS FOR FOREIGN STUDENTS

The Committee is very supportive of increased involvement by the Department in the training of agricultural scientists and administrators from other countries. A program to help educate foreign students in the animal and plant sciences would not only promote better relations with the countries involved, but would also enhance efforts to expand and promote trade relations which would be of great benefit to the United States.

Currently, USDA's Office of International Cooperation and Development (OICD) coordinates agricultural scholarships funded under Agency for International Development (AID) programs for developing nations. However, there are no programs currently available to countries which are not receiving AID assistance. As a result, these middle income countries have little access to the scientific, technical, and educational capacities of the U.S. system of agricultural education and research. Just when these nations reach the point where they can make the best use of these resources, they become "AID-graduates," and these resources are no longer available to them.

The Committee believes a scholarship program administered by OICD for students from middle income countries would give these countries continued access to essential resources. Certainly, the United States is well-suited to and most capable of providing this type of education and training in the agricultural sciences. Furthermore, the authority to work with middle income countries in food, agricultural, and related research and extension activities, including the training of persons from such countries, is vested in the Secretary of Agriculture by the National Agricultural Research Extension and Teaching Policy Act of 1977, as amended (7 U.S.C. 3291). A scholarship program would enhance the Department's ability to carry out such work.

The Committee is convinced that such a program would help produce highly qualified scientists and administrators who eventually will be directly involved in formulating and administering the agricultural policies of their countries. A scholarship program supporting the training of foreign nationals would provide the opportunity for the development of long-term friendships, scientific cooperation, and enhanced economic and trade relationships.

The Committee, therefore, directs the Department to develop a scholarship program for agricultural scientists and administrators from middle income countries. The Committee envisions a 3-year program, with a total cost of $5,000,000, to provide scholarships for 75 advanced academic degree students and 50 nonacademic trainees from selected middle income countries. The education and training programs are to be provided by United States universities and colleges of agriculture, cooperating agribusinesses, and other appropriate State and Federal agencies. It is the Committee's intent that the International Training Division of the Office of International Cooperation and Development be responsible for initiating and administering a program to begin as soon as feasible.

The Committee is certainly cognizant of present budget constraints facing USDA and the entire Federal Government. Consequently, as a modest beginning for this program, the Committee recommends $2,000,000 for fiscal year 1984. These funds would be available to support tuition, maintenance, and transportation expenses of the program participants, as well as 3 additional staff-years for OICD to administer the program. The Committee will expect OICD to use the most cost-effective means possible in administering this program.

It is the Committee's intent to recommend funding for the remaining 2 years of the program in future appropriation bills. Additionally, the Committee intends to review the progress of this program to determine if it should be extended beyond 3 years.

The Committee is also very interested in a proposal by Georgetown University for an international agricultural student exchange program that would involve students from Central America and from a limited number of U.S. community colleges. The Committee will expect OICD, within funds available, to study the feasibility of this proposal in close cooperation with university officials, and to provide the Committee with a report prior to hearings on the fiscal year 1985 budget.

TITLE V—RELATED AGENCIES

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

The programs of the Food and Drug Administration (FDA) are designed to achieve consumer protection by insuring that foods are safe, pure, and wholesome; that human and animal drugs, biological products, and therapeutic devices are safe and effective; and radiological products and their operation do not result in unnecessary exposure to radiation.

To accomplish its mission, FDA sets food and product standards; evaluates the safety and efficacy of new drugs before they are marketed; conducts and sponsors research to detect health hazards and violations of consumer laws or regulations; informs business firms and consumers about FDA related topics; works with State and local agencies to develop programs that will supplement or complement those of FDA; maintains surveillance over foods, drugs, and electronic products to insure that they are safe, effective, and honestly labeled; and takes legal action where necessary to remove violative products from the marketplace and to prosecute firms or individuals that violate the law.

The programs in support of these objectives are encompassed within five budget activities: (1) foods, (2) drugs and devices, (3) radiological products, (4) National Center for Toxicological Research, and (5) program management.

SALARIES AND EXPENSES

1983 appropriation	[1] $330,188,000
1984 budget estimate	358,785,000
House allowance	360,410,000
Committee recommendation	364,410,000

[1] Excludes a pay supplemental of $714,000.

For salaries and expenses for fiscal year 1984, the Committee recommends $364,410,000. This is $34,222,000 more than the amount appropriated in fiscal year 1983, $4,000,000 more than the House allowance, and $5,625,000 more than the budget estimate.

Contingency fund.—The Committee recognizes FDA's need for contingency funds to deal with the unusual costs of responding to emergency situations with products regulated by FDA. The Committee concurs in principle with the House that additional funds should be appropriated for direct operational costs, as well as to reimburse the States for their extraordinary costs, when they respond to FDA requests for assistance in major emergencies. The House provided $1,000,000 for contingency expenses, to be available only during the current fiscal year.

However, the Committee believes that the establishment of a larger fund, to be available until expended, would assure availability of adequate funding in the event of major resource-intensive emergencies, and should preclude the need for a supplemental appropriation in any year when several emergencies may occur which would cost more than $1,000,000 in extraordinary expenses. Therefore, the Committee's recommended increase of $4,000,000 above the total allowance in the House bill is intended for the contingency fund, in addition to the $1,000,000 provided for contingencies by the House.

The Committee has been advised that the extraordinary costs associated with emergencies in 1982 alone amounted to $1,700,000. Recalls of infant formula and salmon, as well as the extensive Tylenol investigation, resulted in unusual direct costs to FDA for overtime pay, travel, supplies, and the purchase of product samples. While much of the total cost of these emergencies was absorbed by funds already budgeted for staff, the total cost in each case exceeded budgeted amounts. For example, the canned salmon recalls cost approximately $10,000,000 to conduct 300,000 audit checks to be sure that 65 million cans of fish involved were off the market. Of that amount, $1,337,000 was for unusual "out-of-pocket" costs, about half of which was for overtime pay. Similarly, direct extraordinary costs of $334,000 in 1982 for the infant formula recall and $530,000 in 1983 for the Tylenol case have been incurred by FDA.

The Committee is aware that an emergency might be encountered late in the fiscal year when it could be too late for congressional action if very large direct costs were incurred. By creating a $5,000,000 contingency fund, expenses such as those encountered in 1982 and in 1983 could be met while still assuring the agency that adequate funds remain to handle emergencies in the succeeding year.

The Committee will expect FDA to keep it informed of the use of these funds and to include in its annual appropriation request replacement funds to restore the amount available in this fund to the $5,000,000 level. The Committee believes that this type and size of reserve for emergencies provides the American public with the greatest confidence that FDA will always have sufficient resources to respond to major life-threatening emergencies. Consequently, the Committee recommends an appropriation totaling $5,000,000 for a contingency fund for emergency-related activities, and bill language providing that these funds remain available until expended.

Sulfiting agents.—The Committee is concerned about the quality and pace of FDA's safety evaluation of sulfiting agents. The agency's July 1982 proposal to declare these chemicals as safe was based on a study of the relevant scientific literature completed back in 1976. In recent months there has been a report of at least one death which is suspected of being a result of a reaction to sulfite-treated food. Therefore, the Committee expects FDA, within the funds and resources at the agency's disposal, to expedite its safety evaluation of sulfiting agents. The Committee urges that FDA set aside whatever funds and staff resources are necessary to publish a final rule governing the uses of these agents by the end of 1985.

Diet pills.—The safety and effectiveness review of over-the-counter (OTC) drugs containing phenylpropanolamine (PPA) for use in weight control has been pending at FDA since 1978. Recent studies demonstrate that PPA can raise a person's blood pressure and it may also cause behavioral disorders. Other studies have not demonstrated such effects. FDA has noted that these studies raise concerns about findings of an FDA Advisory Review Panel which had tentatively recommended in 1978 that PPA-based diet aids be declared safe and effective. FDA has yet to take final action on this matter. The Committee requests FDA to provide a date in its next semi-annual regulatory agenda by which time a rule governing the uses of PPA-based diet aids will be published. The Committee also directs FDA to keep the Committee fully informed of the progress of the OTC drug review of weight-control products.

Sodium—The Committee is concerned about what appears to be the lack of significant progress in FDA's voluntary sodium labeling program. The voluntary plan was first announced in April 1981, at which time 13 percent of processed food labels disclosed sodium content. Since that time there has been a gradual increase, so that today approximately 19 percent of processed foods are properly labeled. The Committee believes that this small increase may be an indication that the voluntary plan is not working. FDA had originally stated its hope that under the voluntary plan, 50 percent of all processed foods would bear sodium labeling in about 1 year. Therefore, the Committee expects FDA to reassess the success of the voluntary effort and report on the need for further study of a mandatory labeling program. The Committee further requests that FDA submit a timetable detailing the implementation of a mandatory program, in the event that satisfactory progress in the voluntary program is not attained by the end of 1984.

Orphan drugs—The Committee strongly concurs with the House recommendation that the orphan drugs project be increased $500,000, in order to provide a total of not less than $2,500,000 for this activity in 1984. The Orphan Drug Act, enacted this year, makes clear the intent of Congress that expanded efforts be devoted to finding new treatments for rare diseases. That act not only provides incentives for private investment, but specifically authorizes increased Government funding of research projects on promising products. Consequently, the Committee expects the administration to consider the need for a 1984 supplemental appropriation request, as well as a 1985 request, to further expand these efforts.

Orange juice adulteration.—The Committee remains concerned over the problem of orange juice adulteration. While it has been noted that some progress has been made, the Committee believes the FDA needs to continue to focus its enforcement efforts on this problem and cooperate in every way possible with the citrus industry in an effort to reduce the economic harm resulting from adulteration.

BUILDINGS AND FACILITIES

1983 appropriation	$875,000
1984 budget estimate	[1] 3,450,000
House allowance	4,875,000
Committee recommendation	5,875,000

[1] Shown under salaries and expenses ($3,450,000).

The buildings and facilities account is established for repair and improvement of existing facilities and for the construction of new facilities. For fiscal year 1984, the Committee recommends $5,875,000. This is $5,000,000 more than the amount provided in 1983, $2,425,000 more than the budget request, and $1,000,000 more than the House provision. The Committee's recommendation includes the President's request of $3,450,000 for repair and improvement of existing facilities. Additionally, the Committee concurs with the House provision of funding for two facilities—inhalation toxicology ($500,000) and diet preparation ($1,925,000)—at the National Center for Toxicological Research.

The Committee understands that architectural and engineering design studies are in progress for a general toxicology laboratory to upgrade, replace, and consolidate existing laboratory space. The Committee expects to review and consider funding for the construction of this facility when design studies have been completed.

STANDARD LEVEL USER CHARGES

1983 appropriation	$18,942,000
1984 budget estimate	[1] 22,823,000
House allowance	21,594,000
Committee recommendation	22,164,000

[1] Shown under salaries and expenses ($22,823,000).

The Committee recommends an appropriation of $22,164,000 for standard level user charges for the Food and Drug Administration. This is $570,000 more than provided in the House bill, $659,000 less than the budget request, and $3,222,000 more than the amount provided in 1983. The Committee's recommendation reflects a 14-percent increase of the amount provided for SLUC in 1983, including the $500,000 transfer from salaries and expenses in the fiscal year 1983 supplemental appropriations bill.

COMMODITY FUTURES TRADING COMMISSION

1983 appropriation	$22,892,000
1984 budget estimate	24,691,000
House allowance	24,855,000
Committee recommendation	26,645,000

The Commodity Futures Trading Commission (CFTC) was established as an independent agency by the Commodity Futures Trading Commission Act of 1974 (88 Stat. 1389; 7 U.S.C. 4a).

The Commodity Futures Trading Commission (CFTC) administers the Commodity Exchange Act of 1936, as amended by the Commodity Futures Trading Commission Act of 1974 and the Futures Trading Act of 1978. The act brought under Federal regulation futures trading in all goods, articles, services, rights, and interests; commodity options trading; and leverage trading in gold and silver bullion and coins; and otherwise strengthened the regulation of the commodity futures trading industry. It established a comprehensive regulatory structure to oversee the volatile futures trading complex.

The purpose of the Commission is to protect and to further the economic utility of futures markets by encouraging their efficiency, assuring their integrity, and by protecting participants against manipulation, abusive trade practices, fraud, and deceit. The objective is to enable the markets better to serve their designated functions of providing a price discovery mechanism and providing price risk insurance. In properly serving these functions, the futures markets contribute toward better planning, more efficient distribution and consumption, and more economical marketing. In these ways they serve the national public interest.

Programs in support of the overall mission include market surveillance; research and education; registration, audits and contract markets; and enforcement. CFTC activities are carried out in Washington, D.C., four regional offices located in Chicago, New York, Kansas City, and San Francisco; and a branch office located in Minneapolis.

For the Commodity Futures Trading Commission for fiscal year 1984, the Committee recommends $26,645,000. This is $1,790,000 more than the amount provided in the House bill, $1,954,000 more than the budget request, and $3,753,000 more than the amount provided in 1983. The Committee further recommends that House bill language establishing a limitation on expenditures for automated data processing be stricken.

It has come to the Committee's attention that the Futures Trading Act of 1982 mandates that the CFTC conduct studies of large livestock hedgers, nonpublic information trading, futures and related markets, and the National Futures Association. The cost of these studies—$1,330,000—is not included in the CFTC's budget request, although a budget amendment request is currently pending before OMB. Without additional funding, the CFTC will be forced to conduct these studies in such a cursory manner that the studies will neither fulfill the legislative mandate nor provide the valuable information for policy guidance which was envisioned. Without additional funding, even a cursory study of these subject areas will drain essential CFTC resources away from other crucial areas, such as analysis of the pilot options program, development of an agricultural options program, improvement of the market surveillance systems, and development of new automated data processing (ADP) support to improve the productivity of the CFTC staff.

Additionally, the Committee believes that the CFTC has a legitimate need for additional funds to increase ADP support. The CFTC has expressed a need for $670,000. The Committee is concerned that, despite increasing demands on CFTC resources, manual systems are still in place for analysis of existing contracts and reparations case tracking, and for case tracking, violator tracking, and financial analysis support for enforcement activities. The Committee has included $460,000 in its recommendation for the CFTC to increase ADP capabilities.

FARM CREDIT ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

1983 limitation	[1]($17,954,000)
1984 budget estimate	(20,551,000)
House allowance	(20,551,000)
Committee recommendation	(20,551,000)

[1] Excludes supplemental increase in the limitation of $232,000.

The Farm Credit Administration is the independent Federal agency responsible for the regulation, supervision, and examination of the borrower-owned banks and associations that comprise the cooperative farm credit system.

Activities of the Farm Credit Administration include assistance in financing and investments, credit analysis, development of appraisal standards and policies, preparation of reports and budgets, and preparation and distribution of information on agricultural credit and the services offered by the various institutions of the system. The administration also issues regulations governing the lending activities and operations of the institutions under its supervision.

The administration and the institutions under its supervision now operate under authorities contained in the Farm Credit Act of 1971, Public Law 92–181, effective December 10, 1971, as amended by Public Law 96–592, effective December 24, 1980. The act provides for the farmer-owned cooperative system to make credit available to farmers and ranchers, for rural residences, and to cooperatives and other borrowers for farm related businesses upon which farming operations are dependent, to provide for an adequate and flexible flow of money into rural areas, and to modernize and to consolidate existing farm credit law to meet current and rural credit needs.

All expenses of the activities and personnel of the Farm Credit Administration are paid by assessments collected from the banks of the farm credit system.

For the limitation on administrative expenses of the Farm Credit Administration for fiscal year 1984, the Committee recommends $20,551,000. This is $2,597,000 more than the limitation in 1983, and is the same as the budget estimate and the House allowance.

The Committee concurs with the provision in the House bill to increase from one to three the number of passenger motor vehicles the Farm Credit Administration may hire. The need for two additional vehicles is prompted by the relocation of the Farm Credit Administration headquarters from Washington, D.C., to suburban McLean, Va.

TITLE VI—GENERAL PROVISIONS

Sections 601 through 623 of the general provisions contained in the accompanying bill for fiscal year 1984 are essentially the same as those included in previous appropriations bills.

Section 624 is discussed in the report under the discussion of the Soil Conservation Service.

Section 625 directs the Farmers Home Administration to maintain its State office in Hilo, Hawaii, and prohibits the use of any appropriated funds to move the office from the island of Hawaii to the island of Oahu.

COMPLIANCE WITH RULE XVI, PARAGRAPH 7

Rule XVI, paragraph 7 states:

> "Every report on general appropriation bills filed by the Committee on Appropriations shall identify with particularity each recommended amendment which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session."

All accounts for the Farmers Home Administration and the elderly feeding account of the food donations program are subject to identification under Rule XVI, paragraph 7.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1983 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1984

[Amounts in dollars]

Item (1)	1983 Appropriation (2)	Budget estimate (3)	House allowance (4)	Committee recommendation (5)	Senate committee recommendation compared with (+ or –) 1983 Appropriation (6)	Budget estimate (7)	House allowance (8)
TITLE I - AGRICULTURAL PROGRAMS							
PRODUCTION, PROCESSING AND MARKETING							
Office of the Secretary	3,884,000	5,045,000	5,045,000	5,045,000	+1,161,000	---	---
Standard Level User Charges, USDA	56,377,000	69,402,000	64,270,000	64,270,000	+7,893,000	-5,132,000	---
Advisory Committees, USDA	1,398,000	1,398,000	1,398,000	1,398,000	---	---	---
Departmental Administration	13,166,000	17,819,000	17,999,000	17,999,000	+4,833,000	+180,000	---
Office of Governmental and Public Affairs	6,677,000	7,569,000	6,930,000	7,569,000	+892,000	---	+639,000
Office of Congressional Affairs	439,000	---	477,000	---	-439,000	---	-477,000
Office of the Inspector General	27,943,000	29,754,000	29,211,000	29,211,000	+1,268,000	-543,000	---
(Transfer from food stamp program)	(14,270,000)	(14,825,000)	(15,368,000)	(15,368,000)	(+1,098,000)	(+543,000)	---
Total, Office of the Inspector General	(42,213,000)	(44,579,000)	(44,579,000)	(44,579,000)	(+2,366,000)	---	---
Office of the General Counsel	12,386,000	14,348,000	14,253,000	14,253,000	+1,867,000	-95,000	---
(Transfer from food stamp program)	(628,000)	(628,000)	(723,000)	(723,000)	(+95,000)	(+95,000)	---
Federal Grain Inspection Service	5,369,000	6,861,000	6,861,000	6,861,000	+1,492,000	---	---
Inspection and Weighing Services (limitation on administrative expenses)	(44,313,000)	(44,313,000)	(34,777,000)	(44,313,000)	---	---	(+9,536,000)

Agricultural Research Service	452,378,000	470,410,000	470,470,000	402,995,000	+30,617,000	+12,585,000	+12,525,000
Special fund	2,000,000	2,000,000	2,000,000	2,000,000	—	—	—
Buildings and facilities	4,927,000	—	24,625,000	23,227,000	+18,300,000	+23,227,000	-1,398,000
Scientific activities overseas (foreign currency program)	2,977,000	6,149,000	5,000,000	6,149,000	+3,172,000	—	+1,149,000
Cooperative State Research Service	244,966,000	231,715,000	233,575,000	252,805,000	+7,839,000	+21,090,000	+19,230,000
Extension Service	328,672,000	287,082,000	332,340,000	336,340,000	+7,668,000	+49,258,000	+4,000,000
National Agricultural Library	8,849,000	9,873,000	9,873,000	9,873,000	+1,024,000	—	—
Total, Research and Extension	1,044,769,000	1,007,229,000	1,077,883,000	1,113,389,000	+68,620,000	+106,160,000	+35,306,000
Animal and Plant Health Inspection Service:							
Salaries and expenses	267,915,000	224,740,000	277,552,000	251,453,000	-16,462,000	+26,713,000	-26,099,000
Buildings and facilities	2,386,000	2,386,000	2,386,000	2,386,000	—	—	—
Total, Animal & Plant Health Inspection Service	270,301,000	227,126,000	279,938,000	253,839,000	-16,462,000	+26,713,000	-26,099,000
Food Safety and Inspection Service	315,557,000	333,696,000	333,696,000	333,696,000	+18,139,000	—	—
Economic Research Service	37,751,000	45,024,000	43,841,000	45,024,000	+7,273,000	—	+1,183,000
Statistical Reporting Service	51,035,000	55,778,000	53,903,000	55,598,000	+4,563,000	-180,000	+1,695,000
Agricultural Cooperative Service	4,639,000	3,677,000	4,639,000	4,639,000	—	+962,000	—
World Agricultural Outlook Board	1,403,000	1,522,000	1,522,000	1,500,000	+97,000	-22,000	-22,000
Agricultural Marketing Service:							
Marketing Services	31,912,000	28,925,000	30,729,000	30,729,000	-1,183,000	+1,804,000	—
(Limitation on administrative expenses)	(30,910,000)	(30,910,000)	(30,910,000)	(30,910,000)	—	—	—
Funds for strengthening markets, income, and supply (Section 32) (Jobs Bill)	75,000,000	—	—	—	-75,000,000	—	—
(By transfer)	(5,670,000)	(5,840,000)	(5,840,000)	(5,840,000)	(+170,000)	—	—
Payments to States and possessions	1,000,000	—	1,000,000	1,000,000	—	+1,000,000	—
Office of Transportation	2,367,000	2,523,000	2,523,000	2,523,000	+156,000	—	—
Total, Agricultural Marketing Service	110,279,000	31,448,000	34,252,000	34,252,000	-76,027,000	+2,804,000	—

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COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1983 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1984—Continued

[Amounts in dollars]

Item (1)	1983 Appropriation (2)	Budget estimate (3)	House allowance (4)	Committee recommendation (5)	Senate committee recommendation compared with (+ or −): 1983 Appropriation (6)	Senate committee recommendation compared with (+ or −): Budget estimate (7)	Senate committee recommendation compared with (+ or −): House allowance (8)
Packers and Stockyards Administration..................	8,668,000	9,013,000	9,013,000	9,013,000	+345,000	—	—
Total, Production, Processing and Marketing.....	1,972,041,000	1,866,709,000	1,985,131,000	1,997,556,000	+25,515,000	+130,847,000	+12,425,000
FARM INCOME STABILIZATION							
Agricultural Stabilization and Conservation Service:							
Salaries and expenses.............................	55,962,000	51,986,000	51,986,000	51,986,000	-3,976,000	—	—
(Transfer from Commodity Credit Corporation)..	(314,818,000)	(308,193,000)	(358,193,000)	(358,193,000)	(+43,375,000)	(+50,000,000)	—
Total, salaries and expenses, ASCS..............	(370,780,000)	(360,179,000)	(410,179,000)	(410,179,000)	(+39,399,000)	(+50,000,000)	—
Dairy indemnity program............................	7,000,000	—	1,800,000	1,800,000	-5,200,000	+1,800,000	—
Total, Agricultural Stabilization and Conservation Service..........................	62,962,000	51,986,000	53,786,000	53,786,000	-9,176,000	+1,800,000	—
CORPORATIONS							
Federal Crop Insurance Corporation:							
Administrative and operating expenses.............	235,200,000	278,987,000	238,987,000	228,987,000	-6,213,000	-50,000,000	-10,000,000
Subscription to capital stock......................	150,000,000	—	—	—	-150,000,000	—	—
Federal crop insurance corporation fund...........	143,233,000	194,883,000	144,883,000	124,883,000	-18,350,000	-70,000,000	-20,000,000
Total, Federal Crop Insurance Corporation.......	528,433,000	473,870,000	383,870,000	353,870,000	-174,563,000	-120,000,000	-30,000,000

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Commodity Credit Corporation:							
Reimbursement for net realized losses.............	16,173,514,000	10,173,636,000	9,673,636,000	9,673,636,000	-6,499,878,000	-500,000,000	—
Total, Farm Income Stabilization................	16,764,909,000	10,699,492,000	10,111,292,000	10,081,292,000	-6,683,617,000	-618,200,000	-30,000,000
Total, title I, new budget (obligational) authority, Agricultural Programs..............	18,736,950,000	12,566,201,000	12,096,423,000	12,078,848,000	-6,658,102,000	-487,353,000	-17,575,000
TITLE II - RURAL DEVELOPMENT PROGRAMS							
RURAL DEVELOPMENT ASSISTANCE							
Office of Rural Development Policy:							
Salaries and expenses..............................	2,000,000	2,388,000	2,388,000	2,127,000	+127,000	-261,000	-261,000
Farmers Home Administration:							
Rural Housing Insurance Fund:							
Direct loans................................	(24,000,000)	(1,000,000)	(24,000,000)	(24,000,000)	—	(+23,000,000)	—
Insured loans...............................	(3,261,000,000)	(299,000,000)	(3,397,000,000)	(3,361,000,000)	(+100,000,000)	(+3,062,000,000)	(-36,000,000)
Rent supplement authorization.................	(123,745,000)	—	(62,000,000)	(73,000,000)	(-50,745,000)	(+73,000,000)	(+11,000,000)
Reimbursement for interest and other losses...	1,109,722,000	1,508,082,000	1,508,082,000	1,508,082,000	+398,360,000	—	—
Total, Rural Housing Insurance Fund.........	(4,394,722,000)	(1,808,082,000)	(4,929,082,000)	(4,893,082,000)	(+498,360,000)	(+3,085,000,000)	(-36,000,000)
Agricultural Credit Insurance Fund:							
Real estate loans:							
Insured....................................	(759,100,000)	(624,000,000)	(684,100,000)	(657,000,000)	(-102,100,000)	(+33,000,000)	(-27,100,000)
Guaranteed.................................	(81,000,000)	(56,000,000)	(56,000,000)	(56,000,000)	(-25,000,000)	—	—
Total, real estate loans..................	(840,100,000)	(680,000,000)	(740,100,000)	(713,000,000)	(-127,100,000)	(+33,000,000)	(-27,100,000)
Soil conservation loans.......................	(30,000,000)	—	(30,000,000)	(30,000,000)	—	(+30,000,000)	—

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COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1983 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1984—Continued

[Amounts in dollars]

Item (1)	1983 Appropriation (2)	Budget estimate (3)	House allowance (4)	Committee recommendation (5)	Senate committee recommendation compared with (+ or −) 1983 Appropriation (6)	Budget estimate (7)	House allowance (8)
Operating loans:							
Insured	(1,460,000,000)	(1,810,000,000)	(1,810,000,000)	(1,810,000,000)	(+350,000,000)	—	—
Guaranteed	(50,000,000)	(50,000,000)	(100,000,000)	(100,000,000)	(+50,000,000)	(+50,000,000)	—
Total, operating loans	(1,510,000,000)	(1,860,000,000)	(1,910,000,000)	(1,910,000,000)	(+400,000,000)	(+50,000,000)	—
Emergency disaster loans	(1,540,000,000)	(1,540,000,000)	(1,540,000,000)	(1,540,000,000)	—	—	—
Economic Emergency loans	(600,000,000)	—	(600,000,000)	—	(-600,000,000)	—	(-600,000,000)
Reimbursement for interest and other losses	682,074,000	895,522,000	895,522,000	895,522,000	+213,448,000	—	—
Total, Agricultural Credit Insurance Fund	(5,202,174,000)	(4,975,522,000)	(5,715,622,000)	(5,088,522,000)	(-113,652,000)	(+113,000,000)	(-627,100,000)
Rural Development Insurance Fund:							
Water and sewer facility loans	(825,000,000)	(250,000,000)	(375,000,000)	(270,000,000)	(-555,000,000)	(+20,000,000)	(-105,000,000)
Industrial development loans:							
Guaranteed	(300,000,000)	—	(300,000,000)	(300,000,000)	—	(+300,000,000)	—
Community facility loans	(130,000,000)	(100,000,000)	(130,000,000)	(130,000,000)	—	(+30,000,000)	—
Reimbursement for losses	336,217,000	477,829,000	477,829,000	477,829,000	+141,612,000	—	—
Total, Rural Development Insurance Fund	(1,591,217,000)	(827,829,000)	(1,282,829,000)	(1,177,829,000)	(-413,388,000)	(+350,000,000)	(-105,000,000)

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Rural water and waste disposal grants	275,000,000	90,000,000	125,000,000	90,000,000	-185,000,000	—	-35,000,000
Very low-income housing repair grants	12,500,000	—	12,500,000	12,500,000	—	+12,500,000	—
Rural housing for domestic farm labor	—	4,393,000	4,393,000	4,393,000	+4,393,000	—	—
Mutual and self-help housing	12,500,000	—	5,000,000	12,500,000	—	+12,500,000	+7,500,000
Rural community fire protection grants	3,250,000	—	3,250,000	3,250,000	—	+3,250,000	—
Compensation for construction defects	2,000,000	—	2,000,000	2,000,000	—	+2,000,000	—
Rural rental assistance payments	—	62,000,000	49,000,000	62,000,000	+62,000,000	—	+13,000,000
Salaries and expenses	295,788,000	318,445,000	327,149,000	327,149,000	+31,361,000	+8,704,000	—
(Transfer from loan accounts)	(6,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(-2,000,000)	—	—
Total, salaries and expenses	(301,788,000)	(322,445,000)	(331,149,000)	(331,149,000)	(+29,361,000)	(+8,704,000)	—
Total, Farmers Home Administration	2,729,051,000	3,356,271,000	3,409,725,000	3,395,225,000	+666,174,000	+38,954,000	-14,500,000
Rural Electrification Administration:							
Rural electrification & telephone revolving fund:							
Direct loans:							
Insured loans:							
Electric	(850,000,000)	(500,000,000)	(850,000,000)	(850,000,000)	—	(+350,000,000)	—
Telephone	(250,000,000)	(75,000,000)	(250,000,000)	(250,000,000)	—	(+175,000,000)	—
Total, Insured loans	(1,100,000,000)	(575,000,000)	(1,100,000,000)	(1,100,000,000)	—	(+525,000,000)	—
Guaranteed loans:							
Electric	(4,600,000,000)	(3,235,000,000)	(4,600,000,000)	(3,235,000,000)	(-1,365,000,000)	—	(-1,365,000,000)
Telephone	(145,000,000)	(125,000,000)	(145,000,000)	(125,000,000)	(-20,000,000)	—	(-20,000,000)
Total, Guaranteed loans	(4,745,000,000)	(3,360,000,000)	(4,745,000,000)	(3,360,000,000)	(-1,385,000,000)	—	(-1,385,000,000)
Reimbursement for interest and other losses	—	—	(197,862,000)	(197,862,000)	(+197,862,000)	(+197,862,000)	—
Rural telephone bank	(30,000,000)	—	(30,000,000)	(30,000,000)	—	(+30,000,000)	—
Direct loans	(185,000,000)	(185,000,000)	(185,000,000)	(185,000,000)	—	—	—

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COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1983 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1984—Continued

[Amounts in dollars]

Item (1)	1983 Appropriation (2)	Budget estimate (3)	House allowance (4)	Committee recommendation (5)	Senate committee recommendation compared with (+ or −) 1983 Appropriation (6)	Budget estimate (7)	House allowance (8)
Rural communication development fund..............	91,000	375,000	375,000	375,000	+284,000	—	—
Salaries and expenses............................	28,945,000	29,585,000	29,585,000	29,585,000	+640,000	—	—
Total, Rural Electrification Administration.....	29,036,000	29,960,000	29,960,000	29,960,000	+924,000	—	—
Total, Rural Development Assistance.............	2,760,087,000	3,388,619,000	3,442,073,000	3,427,312,000	+667,225,000	+38,693,000	-14,761,000
CONSERVATION							
Soil Conservation Service:							
Conservation operations............................	326,198,000	341,313,000	346,947,000	343,313,000	+17,115,000	+2,000,000	-3,634,000
River basin surveys and investigations............	16,068,000	13,264,000	15,619,000	15,619,000	-449,000	+2,355,000	—
Watershed planning.................................	8,675,000	7,715,000	8,877,000	8,675,000	—	+960,000	-202,000
Watershed and flood prevention operations ‡.......	302,425,000	46,593,000	183,200,000	183,200,000	-119,225,000	+136,607,000	—
Resource conservation and development.............	30,744,000	—	26,000,000	26,000,000	-4,744,000	+26,000,000	—
Great Plains conservation program.................	21,315,000	15,521,000	21,315,000	21,315,000	—	+5,794,000	—
Total, Soil Conservation Service.................	705,425,000	424,406,000	601,958,000	598,122,000	-107,303,000	+173,716,000	-3,836,000

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‡ Includes $107.5 million provided in PL 98-8.

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Agricultural Stabilization and Conservation Service:							
Agricultural conservation program	190,000,000	56,000,000	190,000,000	190,000,000	---	+134,000,000	---
Forestry incentives program	12,500,000	---	12,500,000	12,500,000	---	+12,500,000	---
Water bank program	8,800,000	---	8,800,000	10,000,000	+1,200,000	+10,000,000	+1,200,000
Emergency conservation program	---	---	---	7,000,000	+7,000,000	+7,000,000	+7,000,000
Total, Agricultural Stabilization and Conservation Service	211,300,000	56,000,000	211,300,000	219,500,000	+8,200,000	+163,500,000	+8,200,000
Total, Conservation	916,725,000	480,406,000	813,258,000	817,622,000	-99,103,000	+337,216,000	+4,364,000
Total, title II, Rural Development Programs: New budget (obligational) authority	3,676,812,000	3,869,025,000	4,255,331,000	4,244,934,000	+568,122,000	+375,909,000	-10,397,000
TITLE III - DOMESTIC FOOD PROGRAMS							
Food and Nutrition Service:							
Child nutrition programs 1/	896,324,000	700,919,000	705,919,000	705,919,000	-190,405,000	+5,000,000	---
(Transfer from sec. 32)	(2,281,676,000)	(2,307,295,000)	(2,307,295,000)	(2,307,295,000)	(+25,619,000)	---	---
Total, Child nutrition programs	(3,178,000,000)	(3,008,214,000)	(3,013,214,000)	(3,013,214,000)	(-164,786,000)	(+5,000,000)	---
Special milk program	20,100,000	11,720,000	11,920,000	11,920,000	-8,180,000	+200,000	---
Feeding program for Women, Infants and Children (WIC)	1,160,000,000	1,060,000,000	1,060,000,000	1,060,000,000	-100,000,000	---	---
Commodity supplemental food program (CSFP)	32,600,000	32,600,000	40,150,000	40,150,000	+7,550,000	+7,550,000	---
Food stamp program	10,815,657,000	10,916,705,000	10,916,705,000	10,916,705,000	+101,048,000	---	---
Nutrition assistance for Puerto Rico	825,000,000	825,000,000	825,000,000	825,000,000	---	---	---

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1/ FY 1984 estimate includes $76,350,000 requested in Labor/HHS bill.

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COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1983 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1984—Continued

[Amounts in dollars]

Item	1983 Appropriation	Budget estimate	House allowance	Committee recommendation	Senate committee recommendation compared with (+ or −)		
					1983 Appropriation	Budget estimate	House allowance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Food donations programs:							
Needy family program	56,266,000	50,061,000	50,061,000	50,061,000	-6,205,000	---	---
Elderly feeding program 2/	100,000,000	100,000,000	116,000,000	119,000,000	+19,000,000	+19,000,000	+3,000,000
Total, Food donations programs	156,266,000	150,061,000	166,061,000	169,061,000	+12,795,000	+19,000,000	+3,000,000
Distribution of agricultural commodities(Jobs Bill)	50,000,000	---	---	---	-50,000,000	---	---
Food program administration	82,146,000	80,387,000	81,352,000	81,352,000	-794,000	+965,000	---
Human Nutrition Information Service	8,096,000	6,564,000	6,564,000	6,564,000	-1,532,000	---	---
Total, title III, new budget (obligational) authority, Domestic Food Programs	14,046,189,000	13,783,956,000	13,913,671,000	13,816,671,000	-229,518,000	+32,715,000	+3,000,000
TITLE IV - INTERNATIONAL PROGRAMS							
Foreign Agricultural Service	74,454,000	85,217,000	83,717,000	85,217,000	+10,763,000	---	+1,500,000
General Sales Manager (transfer from Commodity Credit Corporation)	(5,599,000)	(5,904,000)	(5,904,000)	(5,904,000)	(+305,000)	---	---

2/ FY 1984 estimate requested in Labor/HHS bill.

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Public Law 480:							
Title I and III - Credit sales....................	378,000,000	402,000,000	402,000,000	402,000,000	+24,000,000	—	—
Title II - Commodities for disposition abroad.....	650,000,000	650,000,000	650,000,000	650,000,000	—	—	—
Total, Public Law 480..........................	1,028,000,000	1,052,000,000	1,052,000,000	1,052,000,000	+24,000,000	—	—
Office of International Cooperation and Development...	3,578,000	4,016,000	3,516,000	6,016,000	+2,438,000	+2,000,000	+2,500,000
Total, title IV, new budget (obligational) authority, International Programs.............	1,106,032,000	1,141,233,000	1,139,233,000	1,143,233,000	+37,201,000	+2,000,000	+4,000,000
TITLE V - RELATED AGENCIES							
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Food and Drug Administration:							
Salaries and expenses..........................	330,188,000	358,785,000	360,410,000	364,410,000	+34,222,000	+5,625,000	+4,000,000
Buildings and facilities........................	875,000	3,450,000	4,875,000	5,875,000	+5,000,000	+2,425,000	+1,000,000
Standard Level User Charges......................	18,942,000	22,823,000	21,594,000	22,164,000	+3,222,000	-659,000	+570,000
Total, Food and Drug Administration...........	350,005,000	385,058,000	386,879,000	392,449,000	+42,444,000	+7,391,000	+5,570,000
INDEPENDENT AGENCIES							
Commodity Futures Trading Commission..................	22,892,000	24,691,000	24,855,000	26,645,000	+3,753,000	+1,954,000	+1,790,000
Farm Credit Administration (limitation on administrative expenses)...........................	(17,954,000)	(20,551,000)	(20,551,000)	(20,551,000)	(+2,597,000)	—	—
HBC Assumption......................................	—	—	—	—	—	—	—
HBC Assumption......................................	—	—	—	—	—	—	—
Total, title V, new budget (obligational) authority, Related Agencies..................	372,897,000	409,749,000	411,734,000	419,094,000	+46,197,000	+9,345,000	+7,360,000

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COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 1983 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 1984—Continued

[Amounts in dollars]

Item (1)	1983 Appropriation (2)	Budget estimate (3)	House allowance (4)	Committee recommendation (5)	Senate committee recommendation compared with (+ or −) 1983 Appropriation (6)	Budget estimate (7)	House allowance (8)
RECAPITULATION							
Title I - Agricultural programs	18,736,950,000	12,566,201,000	12,096,423,000	12,078,848,000	-6,658,102,000	-487,353,000	-17,575,000
Title II - Rural development programs	3,676,812,000	3,869,025,000	4,255,331,000	4,244,934,000	+568,122,000	+375,909,000	-10,397,000
Title III - Domestic food programs	14,046,189,000	13,783,956,000	13,813,671,000	13,816,671,000	-229,518,000	+32,715,000	+3,000,000
Title IV - International programs	1,106,032,000	1,141,233,000	1,139,233,000	1,143,233,000	+37,201,000	+2,000,000	+4,000,000
Title V - Related agencies	372,897,000	409,749,000	411,734,000	419,094,000	+46,197,000	+9,345,000	+7,360,000
Total, new budget (obligational) authority $	37,938,880,000	31,770,164,000	31,716,392,000	31,702,780,000	-6,236,100,000	-67,384,000	-13,612,000
Transfer from sec. 32 (Customs Receipts)	2,287,346,000	2,313,135,000	2,313,135,000	2,313,135,000	+25,789,000	—	—
Total obligational authority	40,226,226,000	34,083,299,000	34,029,527,000	34,015,915,000	-6,210,311,000	-67,384,000	-13,612,000
Memoranda:							
Direct and insured loan level	9,914,100,000	5,384,000,000	9,875,100,000	9,107,000,000	-807,100,000	+3,723,000,000	-768,100,000
Guaranteed loan level	5,176,000,000	3,466,000,000	5,201,000,000	3,816,000,000	-1,360,000,000	+350,000,000	-1,385,000,000
Rent supplement authorization	123,745,000	—	62,000,000	73,000,000	-50,745,000	+73,000,000	+11,000,000
Transfers from Commodity Credit Corporation	314,818,000	308,193,000	358,193,000	358,193,000	+43,375,000	+50,000,000	—

$ FY 1984 estimate excludes approximately $1,325,500,000 which would be required to carry out existing programs under current law.

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